



# ***Daily Report***

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## **China**

FBIS-CHI-89-199  
Tuesday  
17 October 1989

# Daily Report

## China

FBIS-CHI-89-199

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17 October 1989

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### RENMIN RIBAO Examines Panama Coup Attempt

#### 11 Oct Article

HK1610120389 Beijing RENMIN RIBAO in Chinese  
11 Oct 89 p 3

[Article by staff reporter Zhang Qixin (1728 0796 2500): "Panama's Military Coup and the Difficulties in U.S. Foreign Affairs"]

[Text] On 3 October some junior officers in Panama launched a coup against National Defense Forces Commander Manuel Antonio Noriega, but the coup attempt failed the very same day. However, the backlash from the coup has provoked a noisy debate which is still going on in Washington.

The debate has been focused on whether or not the United States should have employed military intervention in the coup in order to drive Noriega out of office. Some hardliners in the U.S. Congress maintained that the coup provided a golden opportunity for the United States to support those junior officers with its military strength to overthrow Noriega. These congressmen criticized the Bush administration for being irresolute and missing the boat. However, U.S. Government ranking officials argued that the circumstances were not right for military intervention and that intervention would have risked American lives. The debate is thought-provoking because differences in the debate did not rest on U.S. policy toward Panama but on the point of seizing a good opportunity for U.S. military intervention. This shows from one aspect that not a few people in the United States are keen on seeking military intervention to send Noriega packing.

Furthermore, the United States and Noriega have incurred each other's deep hatred, including the U.S. indictment of Noriega on charges of drug trafficking. The Reagan and the Bush administrations have a common point in U.S. policy toward Panama: Spare no effort to overthrow the Noriega regime. The Reagan administration resorted to diplomatic and economic sanctions in an attempt to throw Noriega out, but it was a vain attempt. Since assuming power, the Bush administration has maintained his predecessor's policy of applying pressure on Panama. The Bush administration did not deploy military intervention in the coup, but its senior officials have repeatedly reiterated that U.S. policy toward Noriega remains unchanged, and stated that the United States still reserves the option of using military force against Panama. A certain number of U.S. congressmen made charges against the government, but in a recent resolution the Senate reiterated its support for all appropriate diplomatic, economic, and military measures that the President may adopt against Panama. All this has exposed U.S. power politics in its relations with Panama.

However, developments in recent years have shown that the present U.S. policy toward Panama is not only impractical but has caused U.S. diplomacy to run into rough weather. In the recent debate, the U.S. Government argued that the circumstances were not right for military intervention. So, what would have been the consequences of U.S. military involvement in the coup, which was described by some U.S. congressmen as a golden opportunity? The paper THE NEW YORK TIMES pointed out: Even a successful direct U.S. military intervention would also entail serious consequences and cost the United States dear. Public media in the United States said that there would be, generally speaking, consequences and costs in three aspects: First, military intervention might push U.S. troops into continuous war and produce many casualties. Second, all the Latin American nations would denounce the United States with one voice, and a successive tide of anti-U.S. struggle would rise. Third, military involvement by U.S. overseas troops in a local coup would greatly shake U.S. military presence in other countries. According to comments in the United States, military intervention is not in America's interests and, what is more, it goes against the trend of the times. The debate on the recent coup in Panama has once again exposed the difficulties in U.S. diplomacy which is based on power politics.

#### 12 Oct Article

HK1710065589 Beijing RENMIN RIBAO in Chinese  
12 Oct 89 p 3

["Jottings" by Yan Zhong (1750 1813): "Incongruity"]

[Text] The mutiny aimed at overthrowing Panama's Commander in Chief of the defence forces, Noriega, only lasted 10 hours and proved a failure. This left the Washington authorities "extremely dejected." The U.S. Government flatly denied that it had lent a hand in the mutiny, but the Panamanian Government and the press revealed a host of facts that the U.S. troops stationed in the canal zone worked in close coordination with and supported the troops which started the short-lived mutiny. Even U.S. newspapers disclosed that U.S. military officers not only had listened to the "report" made by Panamanian rebellious officers, but also "had studied with them" the plan for the mutiny, so that the rebellious officers would be assured of "U.S. military support." But the United States' support of the mutiny turned out to be an effort to be ashamed of.

An imposing superpower brought enormous political, economic, and military pressure to bear on Panama, a small country, in a determined effort to oust Noriega, but they failed to achieve what they wished. Why? Several experts in Latin American affairs in Washington actually attributed the failure to "lack of information." This reason is really farfetched. The massive and advanced bugging network installed by the U.S. command post in southern Panama can monitor all the contents of telephone conversations of this country. White House spokesman Fitzwater also admitted that

"some people told U.S. officials they would start the coup." In fact, the United States was not only aware of the mutiny, but also provided manpower and military equipment in support of the rebellious troops. The fundamental reason for Washington's failure in lending a hand in the coup does not lie in "lack of information," but in the fact that the U.S. attempt to implement power politics by interfering with Panama's internal affairs went against the wishes of the Panamanian people. U.S. experts in Latin American affairs sidestepped the fundamental reason, but attributed the failure to "lack of information": this is as incongruous as the mouth of a horse on the head of an ox.

### Further on International Drug Symposium

HK1110094789 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0750 GMT 5 Oct 89

[Report: "An Asian Drug Symposium Opens in Beijing"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 5 Oct (ZHONGGUO XINWEN SHE)—An Asian regional antinarcotics symposium has opened in Beijing today. Police officers from 32 countries and regions and representatives from judicial departments attended this symposium.

In his opening speech, Wang Fang, Chinese state councillor and minister of public security, said that the drug problem in the Asian region has become increasingly serious and cross-border drug trafficking and transnational crimes have become prominent. Apart from individual efforts of the relevant country and region, bilateral or multilateral international cooperation has become important in curbing narcotics crimes.

The headquarters of the International Criminal Police Organization [ICPO], the International Bureau for Control of Narcotic Drugs, and the UN Commission on Narcotic Drugs also sent senior officials to the symposium. Representatives from Africa, America, Europe, and Oceania attended the meeting by invitation.

In modern history, China is a country that has suffered deeply from the harm of drugs, Wang Fang stressed. Since the establishment of New China, the government has unswervingly adhered to a strict antinarcotics policy. Following the recurrence of the drug problem in China during the last few years, the Chinese Government has taken resolute measures to tackle the problem, including strengthening the execution of antinarcotics law and encouraging effective international cooperation in curbing drug trafficking.

Wang Fang said that their presence at the symposium after the Beijing rebellion was a sign of their trust in the Chinese Government and the country's social order. He expressed his gratitude for this.

ICPO Executive Vice Chairman Chu En-tao said in his speech that drugs have become the root cause of trouble in the world and are seriously threatening the lives and

property of the people around the world. Narcotics crimes are becoming increasingly serious in Asia. Facing the challenge of the drug problem, police officers and judicial representatives from Asia and the other five continents discussed measures to crack down on narcotics crimes and studied effective ways for regional cooperation. They are determined to make contributions to the elimination of drugs.

Reports say that four police officers from Hong Kong and one police officer from Macao attended the symposium. The Taiwan police department did not send any representative to the symposium.

### Aviation Fair To Open on Schedule

OW1110214289 Beijing XINHUA in English  
1515 GMT 11 Oct 89

[Text] Hong Kong, October 11 (XINHUA)—An international exhibition on civil aviation industry will be held as scheduled in Beijing from October 17 till 22, one of its major organizations said here today.

The China Promotion Ltd., a Hong Kong company engaged in organizing international exhibition in China, told reporters today that over 100 companies from 12 countries would participate in the exhibition which would be the largest international show after the June events in Beijing.

There had been rumors of cancellation of the aviation exhibition after a space conference was moved from China to Spain, it said.

Overseas companies related to commercial aviation and airport facilities would still come to Beijing as originally planned, it said.

Only some military related companies would not participate, because of the U.S. embargo, it said.

The exhibition will include manufacturers from the United States, Canada, France, Britain, Italy, Federal Germany and other countries.

The show will be co-organized by major aviation related companies in China and will be held in the international exhibition center in Beijing.

### Scientists Discuss Deep-Freezing To Prolong Life

OW1210015989 Beijing XINHUA in English  
1507 GMT 11 Oct 89

[Text] Beijing, October 11 (XINHUA)—A grandfather might be able to outlive his grandson with the development of low-temperature medicine, which scientists here today hailed as an essential tool in medicine of the 21st century.

Scientists attending the International Cryosurgery Conference, which opened today, say human beings, as well as other living things, might be able to prolong their lives by preserving their living bodies in extreme cold.

Cryosurgery is a new branch of medical science that deals with the preservation of seeds, embryos, tissues, and cells at 196 degrees centigrade below zero.

Liu Zuobin, deputy director of the Cryobiology Center of the General Hospital of the People's Liberation Army, said that although at extremely low temperatures chemical changes in living cells were suspended, living substances could be preserved as long as desired.

As a result, the life span of living things kept in this way could be infinite.

He said Western scientists had been able to keep living blood cells and marrow at low temperatures for 20 years. Chinese scientists had also successfully preserved living cells by freezing them for 7 years.

However, Liu said, the problem of preserving man's tissues and internal organs at low temperature had yet to be solved, and the research into preserving human bodies had just started.

Liu said he believed it was possible that scientists would be able to develop techniques preserving living human bodies. "If this dream is realized, man's longevity can be expanded to hundreds, or even thousands, of years."

At the 4-day meeting, more than 200 scientists from 15 countries will exchange the results of latest advances in low-temperature surgery, preservation, immunization, and equipment.

## Shenyang International Trade Fair Concludes

### Transactions Cited

OW1310000689 Beijing XINHUA in English  
1532 GMT 12 Oct 89

[Text] Shenyang, October 12 (XINHUA)—Business transacted at the Shenyang International Trade Fair, which ended here today, amounted to 446,400,000 U.S. dollars.

The fair, the biggest of the kind held in Shenyang in the past five years, attracted 279 businessmen from Japan, the United States, France, Britain, and other 13 countries attended.

The president of the Shenyang Trade Promotion Society, Hua Feng, said that of the 61 contracts signed at the fair six involved investment of more than three million U.S. dollars each. All the funds were invested in production projects.

### Foreign Investment Attracted

OW0910173389 Beijing XINHUA in English  
1452 GMT 9 Oct 89

[Text] Shenyang, October 9 (XINHUA)—An international economic and technological co-operation fair has attracted foreign investment of 53 million U.S. dollars

on the second day after its opening ceremony held on Saturday in Shenyang, Liaoning Province.

Eight contracts were signed involving a total investment of 280 million U.S. dollars at the fair sponsored by the Shenyang branch of the China Council for the Promotion of the International Trade. According to Chen Hongsheng, head of the Foreign Economic Relations and Trade Commission of Shenyang, the fair will focus on the technical transformation of the Tiexi Industrial District, which produces half of the city's total industrial output value.

With more than 150 business people attended the fair, it also attracted many foreign companies here, Chen said. [sentence as received]

Among the cooperative projects, the biggest was the joint venture between a local company and two companies from Hong Kong to invest 50 million U.S. dollars in a colour kinescope plant in Shenyang, which is designated to produce three million TV tubes a year, Chen noted.

A company from the United States will invest 1.3 million U.S. dollars for producing hard disc drive, an important computer component, Chen added.

## International Assistance Aids Heilongjiang

OW0710210889 Beijing XINHUA in English  
0855 GMT 7 Oct 89

[Text] Harbin, October 7 (XINHUA)—International co-operation has helped Heilongjiang Province, northeast China, to develop local resources, upgrade technology and readjust its industrial structure.

The provincial planning and economic department reports that the province signed contracts for 355 projects worth 710 million U.S. dollars between 1979 and June this year. They cover joint ventures, co-operative enterprises, enterprises solely funded by overseas businesses that process supplied materials, and compensation trade.

The province has also borrowed 745 million U.S. dollars from overseas financial institutions and governments.

In August and September, representatives of more than 100 overseas businesses came to negotiate new projects and some signed contracts and letters of intent.

The overseas investors and trade partners have been from Western Europe, North America and the Asia-Pacific region, as well as the Soviet Union and East Europe.

The co-operative projects involve machine-building, electronics, energy, transport, metallurgy, chemicals, pharmaceuticals, building materials, timber, textiles, food processing, and farming.

Liu Hanmin, of the provincial planning and economic department, says the import of foreign funds, technology

and equipment has promoted the better use of timber, a major resource of the province.

Through co-operation with Hong Kong and French companies, the furniture and wood factories have made use of wood shavings, sawdust, tree branches and wood scraps that were formerly burned for cooking or room heating.

They produced shavings board, fibreboard, veneer, floor board and other wood products, and some furniture made from those materials has been exported.

Although flax has been another major product of the province, Heilongjiang used to have only one linen mill. With overseas investment, the province has set up 13 linen mills in flax production centers, and the quality of linen has been improved.

Overseas funds and equipment have helped Heilongjiang—the No. 1 soybean producer in China—also to overhaul its soybean oil factories.

In order to attract more overseas investment, the province has set up a foreign investment office consisting of the planning, finance and materials supply departments.

Provincial officials say it will help foreign-funded investors and foreign-funded enterprises to resolve difficulties in the supply of funds, raw materials and energy.

### **Liaoning Capital Holds International Fair**

*OW0710091289 Beijing XINHUA in English  
0225 GMT 7 Oct 89*

[Text] Shenyang, October 7 (XINHUA)—An international economic and technological co-operation fair opened here today in this capital city of northeast China's Liaoning Province to prepare for the development of the city's Tiexi Industrial Zone.

More than 150 overseas business people attended the opening ceremony.

The fair is sponsored by the China Council for the Promotion of International Trade, Shenyang Branch.

Dozens of projects for what will be the largest comprehensive industrial zone in the country are under negotiation between Chinese and overseas partners.

The industrial zone is expected to absorb a total of four billion yuan during the five years from 1986 to 1990, and during the eighth five-year plan period (1990-1995) it will focus on technical renovation of enterprises and build a number of export-oriented enterprises.

Xu Dayou, vice-chairman of the China Council for the Promotion of International Trade, said that the fair indicates that China is determined to continue to open to the outside world, to introduce advanced science and technology and management experience, and attract foreign funds to accelerate the nation's construction.

## **Soviet Union**

### **Economic, Trade Delegation Arrives in Urumqi**

*HK1210031189 Urumqi Xinjiang Regional Service  
in Mandarin 1230 GMT 11 Oct 89*

[Text] Regional government Chairman Tomur Dawamat this morning met with all members of an economic and trade delegation headed by (Akmatov Tastambekov), chairman of the Presidium of the Supreme Soviet of the Kirgiz Soviet Socialist Republic. The meeting, held at the regional people's government meeting hall, was in a cordial and friendly atmosphere.

Tomur Dawamat warmly welcomed members of the economic and trade delegation and wished their visit complete success.

Regional government Vice Chairman Huang Baozhang and other leaders were present at the meeting.

The economic and trade delegation of the Kirgiz Soviet Socialist Republic arrived at Urumqi yesterday for a 7-day visit to our region to hold talks on matters related to economic cooperation.

### **Electricity, Labor Exchange Finalized**

*HK1110043989 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 1024 GMT 9 Oct 89*

[Report: "Soviet Union will Transmit Electricity to Xinjiang Border Areas"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 9 Oct (ZHONGGUO TONGXUN SHE)—The Kazakh Republic of the USSR and Xinjiang Uygur Autonomous Region recently signed an agreement, according to which, Xinjiang will export labor services to the Soviet side, while the Kazakh Republic will supply electricity to the border areas of Xinjiang. The two sides will also strengthen their cooperation over the management of the power grids.

Tacheng Prefecture and Boltala Mongol Autonomous Prefecture in the north of Xinjiang are adjacent to the Kazakh Republic of the USSR. Due to the constraints of the geographical conditions, the production of electric power in these areas cannot meet the needs in economic development. According to the agreement, the Soviet side will complete the projects of electricity transmission to Tacheng and Bozhou, and then it will supply 100 million kilowatts of electricity to Xinjiang each year, thus greatly mitigating the power shortage in these areas.

### **Heilongjiang Signs Contract on Vehicle Repair**

*SK1410042789 Harbin Heilongjiang Provincial  
Service in Mandarin 2200 GMT 12 Oct 89*

[Text] From now on, the Soviet side will be responsible for the overhaul of the Lada brand jeeps and sedans produced by the Soviet Union and used in our province.



and will also provide sufficient components for our side to conduct small repairs. This was decided in a contract for cooperation in maintenance and repair recently signed by delegates of the Chinese and Soviet sides.

### Northeast Asia

#### Tokyo Trade Exhibition Concludes

OW1610225189 Beijing XINHUA in English  
1514 GMT 16 Oct 89

[Text] Tokyo, October 16 (XINHUA)—A one-week Beijing Trade and Economy Exhibition closed here today.

The exhibition marked the 10th anniversary of sister-city relationship between Tokyo and Beijing and was intended to promote economic and cultural exchanges between the two cities.

Zhang Ming, head of the exhibition team [words indistinct] of the Beijing Foreign Trade and Economy Committee, said the exhibition was a success and had a turnover of more than 40 million U.S. dollars, 40 percent more than expected.

Clothes, handicrafts, and mineral products on display were especially favored by Japanese businessmen.

#### Japanese Given International Cooperation Award

OW1710092789 Beijing XINHUA in English  
0821 GMT 17 Oct 89

[Text] Beijing, October 17 (XINHUA)—The Ministry of Light Industry conferred here Monday the "International Co-operation Award" on Noboru Inoue, chairman of the Japanese Clean-up Corporation, for his remarkable contributions to the development of China's light industry.

Since 1980, Inoue's company has trained more than 100 Chinese technicians in the production of stainless steel kitchen equipment, according to a ministry official.

Inoue also won praise for his co-operative efforts in providing complete sets of high technology equipment to China's newly established stainless steel kitchen equipment factories.

The "International Co-operation Award" was established to praise entrepreneurs, experts and scholars from other countries who have made contributions to the development of China's light industry. Mr. Inoue is the first to be given the award.

### Near East & South Asia

#### Ambassador to Mauritania Hands Over Youth House

OW1010085189 Beijing XINHUA in English  
0726 GMT 16 Oct 89

[Text] Nouakchott, October 9 (XINHUA)—Chinese Ambassador Liu Bai handed over the keys to a youth house here today to Mauritanian Minister of Youth and Sports Mohamed Ould Haimer.

Before the ceremony, the Chinese ambassador and Mauritanian minister signed the certificate to present the reconstructed youth house. The work started on December 17, 1988, and was completed today five months ahead of time by a Chinese technical mission.

Expressing appreciation of the quality and efficiency of Chinese cooperation, Haimer said this contribution once again shows the friendship between the two countries which has given new impetus to Mauritanian youths' socio-cultural and sports activities.

The Chinese ambassador said the rebuilding of the youth house symbolizes the friendship of the two peoples and the precious result of the friendly cooperation of the two countries.

The youth house was built in 1969.

#### Chinese, Mauritanian Women Plan Exchanges

OW1310001089 Beijing XINHUA in English  
0759 GMT 12 Oct 89

[Text] Nouakchott, October 11 (XINHUA)—Chinese and Mauritanian women will promote exchanges of experiences and cooperation.

The exchanges were agreed to by Wang Shuxian, member of the Secretariat of the Chinese Women Federation who is heading a visiting Chinese women delegation, and Mariam Mini Ahmed Aicha, head of the Mauritanian Women's Permanent Secretariat of the Military Committee for National Salvation.

The Chinese delegation arrived Monday morning and left today for Algeria. During their stay in Mauritania, the delegation was received by Mohamed Lemie Ould N'diayane, permanent secretary of the Military Committee for National Salvation, and visited a state secondary school for girls, and a women's promotion center.

### Sub-Saharan Africa

#### Xi Zhongxun Hosts Banquet for Malian Officials

OW1610134689 Beijing XINHUA in English  
1238 GMT 16 Oct 89

[Text] Beijing, October 16 (XINHUA)—Xi Zhongxun, vice-chairman of the National People's Congress Standing Committee, met and hosted a banquet for a

group of vacationists from the Malian People's Democratic Union (MPDU) here tonight.

The group is led by Dianka Kaba Diakite, member of the MPDU's Central Executive Bureau.

Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, was present at the meeting and banquet.

The Malian visitors arrived in China October 5 and are scheduled to leave here for Paris Tuesday.

### **Sports Goods Donated to African National Congress**

*OW1310210489 Beijing XINHUA in English  
1655 GMT 13 Oct 89*

[Text] Lusaka, October 13 (XINHUA)—The Chinese Communist Youth League today donated a batch of sports goods to the youth of the Lusaka-based African National Congress (ANC).

The sports goods included 80 suits of sportshirts and shorts, 50 pairs of sneakers, 50 radio sets and 50 footballs.

Speaking at the hand-over ceremony here this afternoon, Chinese Ambassador to Zambia Zhou Mingji said that though the donation is small in quantity, the significance is great because it shows China's support to ANC's just struggle against apartheid.

### **Song Ping Meets Burundi Delegation**

*OW0610152989 Beijing XINHUA in English  
1314 GMT 6 Oct 89*

[Text] Beijing, October 6 (XINHUA)—Maintaining a stable situation in China at present is more important than anything else, said Song Ping, member of the Standing Committee of the Political Bureau of the Central Committee Of the Communist Party of China (CPC), here today.

Song Ping today met a delegation from Burundi's Party of Unity and National Progress led by its deputy coordinator of the National Permanent Secretariat, Alphonse Kadege.

Song said, "after the quelling of the June anti-government rebellion in Beijing, we have gained a deeper understanding of the importance of party building."

He said that the leadership by the Communist Party is indispensable to the consolidation of the people's political power and the adherence to socialist orientation.

Uong stressed the necessity to resist bourgeois liberalization.

During the meeting, Kadege congratulated China on its achievements in construction and success in quelling the June riots.

Present at the meeting was Zhu Liang, head of the International Liaison Department of the CPC Central Committee.

Kadege and his party arrived September 25 and are scheduled to leave for home tomorrow.

### **Medical Team Leader Hails Friendship With Congo**

*OW1110083189 Beijing XINHUA in English  
0734 GMT 11 Oct 89*

[Text] Brazzaville, October 10 (XINHUA)—The head of the 11th Chinese medical team in the Congo has hailed the friendship between the peoples of China and the Congo.

Ren Xisheng, before departing on completion of a two-year term as the head of the 11th Chinese medical team, expressed deep gratitude for the support of the Congolese Government and people and excellent cooperation with the Congolese Government and colleagues concerned which enabled the Chinese team to accomplish its goals.

The medical team arrived in the Congo in 1987 and has been working in four hospitals in Brazzaville, Point-Noire and Owando in accordance with a 1967 protocol of medical cooperation between the two governments.

Under the agreement, China sends a medical team to the Congo every two years. A new team that arrived on October 3 has already begun work [words indistinct] hospitals.

## **East Europe**

### **Hungarian Ambassador Marks Anniversary of Ties**

*OW1710092689 Beijing XINHUA in English  
0758 GMT 17 Oct 89*

[Text] Beijing, October 17 (XINHUA)—Ivan Nemeth, ambassador of the Hungarian People's Republic to China, gave a dinner here at noon today to mark the 40th anniversary of the establishment of the diplomatic relations between Hungary and China.

Addressing the occasion, both Ambassador Ivan Nemeth and the Chinese Vice-Foreign Minister Tian Zengpei recalled the development of the friendship between China and Hungary. They expressed the hope that the friendship and the friendly relations of cooperation between the two countries and their people would constantly develop and be consolidated.

The dinner proceeded in a friendly atmosphere.

**Albanian Foreign Minister Meets Outgoing Envoy**  
*OW1710044689 Beijing XINHUA in English*  
0219 GMT 17 Oct 89

[Text] Tirana, October 16 (XINHUA)—Albanian Foreign Minister Reis Malile today said Albania and China have common interests in furthering their bilateral relations.

Meeting outgoing Chinese Ambassador to Albania Fan Chengzuo, Malile said his country will make all efforts to develop political, trade and cultural relations with China.

He stressed bilateral trade and economic relations can have a greater development.

He said he was impressed by Chinese Foreign Minister Qian Qichen when he said at the U.N. General Assembly in New York that China will keep to socialism, maintain an independent foreign policy and yield to no pressure from outside.

**Beijing Mayor Meets Yugoslav Delegation**  
*OW1610135189 Beijing XINHUA in English*  
1235 GMT 16 Oct 89

[Text] Beijing, October 16 (XINHUA)—State councillor and mayor of Beijing, Chen Xitong, met Dusan Djordjevic, editor-in-chief of the Yugoslav newspaper "PRIVREDNI PREGLED", and his party here today.

Chen briefed the visitors on Beijing's achievements in practicing contract system in state-run enterprises.

## Political & Social

### Jiang Gives Speech on Organization Work 21 Aug

HK1710115489 Beijing RENMIN RIBAO

OVERSEAS EDITION in Chinese 17 Oct 89 pp 1, 4

[Jiang Zemin's speech at national meeting of heads of CPC organization departments on 21 August; reported by XINHUA; originally published in QISHI No 20]

[Text] Today, I'd like to talk about several questions.

**1. It is necessary to correctly assess the situation of our party organizations and our party contingent.** Our party has a total of more than 48 million members and nearly 3 million grassroots organizations and is the biggest communist party in the world. In our recent political struggle aimed at quelling the turmoil and suppressing the counter-revolutionary rebellion in Beijing, our party contingent and organizations have, on the whole, successfully stood the test. I am convinced that our party is capable of resolving its own problems. This has already been borne out by numerous facts. Nevertheless, we should not fail to see the seriousness of the problems presently existing within our party because of this. That a lot of our party members took to the streets to take part in the demonstrations is indeed a very serious problem. I once read a report saying that when a student party member wanted to go to the streets to take part in the demonstrations, the party organization concerned tried to persuade him not to do that. The student party member retorted that he was first of all a student, not a party member, so he must join his fellow students in their demonstrations. In so doing, the student party member placed the unlawful student organization above our party organization. A party member like this one is no longer qualified to be a party member. Some members tried to threaten our party by announcing their withdrawal from the party at a time when we were confronting some temporary difficulties. Is there any need for us to retain such party members? In my view, there is no such need. Their withdrawal from our party will not in the least affect us. We should take a careful look at these people's original intention of joining our party. I believe that most of them had not been tested in one way or another before being admitted into the party. However, generally speaking, our party's organization departments at all levels and the broad masses of party members and cadres have been working very hard with one heart and one mind in an effort to improve party work at all levels. There is no doubt about this. However, when making an analysis of the situation inside our party, first, we must not underestimate the attempt made by the international antagonistic forces to carry out peaceful evolution in the socialist countries and their influence over our party. In the past, we could sober-mindedly face this question. At the outset of our reform and opening up to the outside world, we were still able to strengthen our ideological education on resisting the corrosive influence of the decadent bourgeois ideology and were still able to effectively crack down on all types of criminal activities in the economic field. However, later on, we slackened our

efforts in this regard. Second, we must not underestimate the harm caused by the mistakes made by Comrade Zhao Ziyang. Third, we must not underestimate the harm done to our party building by the prevalent ideology of bourgeois liberalization.

Our party's organization work must attach great importance to the quality of our members. When recruiting new party members, we must attach great importance to their quality. We must never try to seek quantity alone. We must not recruit those unqualified persons just to make up the number, for these people might cause more harm once they are inside our party. If the quality of our party contingent is poor, quantity is of no use no matter how large it is.

We should make greater efforts to admit more industrial workers into the party. Not long ago, I visited some factories and found that there were only a small number of party members among the workers there, especially among those working on the first line of production in those factories. In some sections and some workshops, there were even no party members at all. In the last few years, we have failed to pay sufficient attention to recruiting party members from the industrial workers working at the grassroots level. The CPC is the vanguard of the working class while the industrial workers are the backbone of the working class contingent. Big industries, the assembly lines, and coordinated work have enabled industrial workers to foster a strong sense of organizational discipline and other fine qualities through mutual assistance and cooperation in their work.

This is the first question I would like to talk about. I think that all cadres and party members should sober-mindedly assess the situation of our party. It is totally wrong for us to think that our party is now devoid of any merit. On the whole, we are still a great, glorious, and correct political party. Nonetheless, in the meantime, we should also pay full attention to all the problems presently existing within our party.

**2. It is necessary to grasp the present opportune moment to conscientiously grasp the work of screening and purging in order to maintain the purity of our party contingent.** Party cadres and party organizations at all levels must pay great attention to this question, must formulate specific policies aimed at strengthening our work in this regard, and must steadily carry out work in this regard step by step. While doing so, we must avoid doing it superficially. We must never leave any hidden trouble untouched. With regard to those who have made mistakes, we must try to transform them; ideologically. We must correctly handle and strictly differentiate the two types of contradictions. We must unite and educate the majority of these people and heighten their ideological consciousness. As regards the majority of our young students, we must make more allowances for them because they are, after all, young and politically naive. However, we must treat our cadres strictly and treat our leading cadres more strictly. In particular, we must be fully aware of the behavior of leading cadres working in



various key departments. Otherwise, we would probably leave a hidden danger which would in turn harm our whole party. To our party, the most dangerous people are the "fence-sitters" among our leading cadres. In the past, when we were doing underground work, if we found someone with an unclear attitude, we would soon expel him from our organization. This is because if we had not expelled him, he would probably harm our organization in the future. In our current struggle, to this very day, there are still some people who are adopting a wait-and-see attitude. What do they want to see by waiting? They want to see whether there will be changes. We must never allow the high-ranking cadres of our party to become fence-sitters. If we view these people from a high plane of principle, they are careerists. We must never make any compromise in matters of principle. We must prevent these fence-sitters from suddenly crossing over to our side and becoming very popular within our contingent without going through any ideological transformation. Those fence-sitters who have been ferreted out must not be placed in important posts. We must never promote these opportunists and careerists.

**3. It is necessary to resolutely carry on our struggle against corruption and corrupt elements and forge closer links between our party and the broad masses of the people.** The prevalent corruption has seriously destroyed the original links between our party and the broad masses of the people and has thereby become a pretext under which the antagonistic forces at home and abroad could venture to subvert our People's Republic. Our current struggle of opposing corruption is of vital importance to us. We have already made unswerving efforts to try to eliminate corruption among cadres and members. I believe that our party is capable of wiping out all the corrupt phenomena among its cadres and members in the end. Our Communist Party has already struck root among the broad masses of the people. The relations of blood and flesh between our party and the broad masses of the people are the very source of our party's strength. So long as we represent the interests of the broad masses of the people and serve the people heart and soul, we will be able to stand the test of any upheavals and remain in an invincible position forever.

When carrying out our current struggle against corruption, there is no need for us to raise a hue and cry. What we should do is to steadily carry on this struggle. Now that we have decided to grasp seven things, we should make practical efforts to do our work in this regard by seeking truth from facts. All members of the CPC Central Committee Political Bureau and Secretariat, and all members of the executive meeting of the State Council, must take the lead in grasping the seven things. Ours is a big country with a population of 1.1 billion people. Our country has more than 48 million CPC members. Therefore, it is extremely difficult for us to apply a unified formula to our work aimed at grasping the seven things in the whole country, for the situation varies from place to place. What we should do is to suit our measures aimed at grasping the seven things to the

local conditions in various regions. Now all parts of our country are going all out to grasp the seven things. I suggest that when our work in this regard reaches a certain stage, we should sit down and summarize our experiences in order to get a clear idea about our achievements and then decide whether it is desirable to formulate some unified rules and regulations aimed at promoting our work in this regard. In a nutshell, this is a question of vital importance to our party. No matter who is ferreted out, we must carry out thorough investigations through to the end. As regards some prevalent corrupt phenomena, no matter how many people are involved, we must carry out our thorough investigations through to the end. In dealing with cases concerning the violation of law, we must strictly abide by the law and handle these cases in strict accordance with the law. The central authorities should take the lead in practically doing well a number of things which are of direct concern to the broad masses of the people. To this end, we must exert our utmost to guard against formalism and avoid doing our work superficially. Now our decision of grasping the seven things has already received a lot of positive responses from our people. Nevertheless, it is equally true that many of our cadres are waiting to see whether this decision will become merely a gust of wind or not. Under such circumstances, it is all the more necessary for us to make redoubled efforts in order to carry out our work in this regard through to the end. The general office of the CPC Central Committee has been responsible for liaison between the departments concerned and the central authorities with a view to pushing ahead with our work. The general office of the CPC Central Committee should do a good job and ensure that our work in this regard will proceed more smoothly in the future. We must make redoubled efforts to continue to develop the spirit of hard work and diligence and strengthen our work of examining and supervising our cadres at all levels. This is the third question I would like to talk about. **4. Political structural reform must be conducive to strengthening and improving party leadership.** The purpose of political structural reform is to strengthen and improve rather than to weaken and relax party leadership. This question merits our careful rethinking. Thus, it is necessary to be clear about the main embodiment of party leadership. I think it is reflected mainly by the following:

First, it is necessary to have a correct political line. The line of the party mapped out under the ideological guidance of Comrade Xiaoping since the 3d Plenary Session of the 11th CPC Central Committee is correct. We must continue to adhere to the basic line of "one center, two basic points." Here, I will not go into more details about it.

Second, it is necessary to give full play to the political and leading roles of party organizations at various levels. The party is a unified entirety organized in accordance with the principle of democratic centralism. If we deny the roles of grass-roots party organizations, we will certainly weaken the party leadership. In their speeches

some comrades said that when talking about the leading role of the party, it is not enough to merely emphasize the political leadership of the party, but must also emphasize the ideological leadership and organizational leadership. Just now I discussed the matter with Comrades Li Peng and Qiao Shi, and they both agreed with this opinion. This is also included in the party constitution. What will the party do if it does not take charge of ideological affairs and take care of cadres? How does the party display its fighting capacity and strength? I think they can be displayed by the powerful fighting force of the nearly 3 million grass-roots party organizations. Where does the leading role of the central authorities come from? If the grass-roots party organizations are all relaxed, the general secretary will certainly become a "nominal commander." Therefore, we must not become confused on this question of principle. Now, it is necessary for the party Central Committee to require the party organizations in enterprises to play their political and leading roles. This is not contradictory to the system of plant director assuming full responsibility prescribed by the "Enterprise Law." Plant directors can give full play to their roles in production management and operations and in directing production and promoting technological development. It was emphasized in the past that the plant director has the right to appoint cadres. If the director is one of high political level, he will surely discuss the matter with the secretary of the party committee when appointing cadres rather than making an arbitrary decision. It might be a deviation in understanding to think that the system of plant director assuming full responsibility means the plant director may appoint cadres at will. What should we do if some people try to form a band or faction? What should we do if some people try to form a clique to pursue selfish interests? What should we do if some people try to appoint cadres by favoritism? Who should exercise the supervision? Therefore, party organizations must manage cadre affairs. The party is the core of political leadership. Without organizational leadership and ideological leadership, the core will be an empty core! We must have a clear understanding of this. If the fighting force of the vast numbers of grass-roots party organizations is not brought into play, the fighting force of the whole party will eventually be weakened. Where is the source of our strength? It is in the grass roots. I would like to emphasize what Comrade Li Peng has just said, adhering to the principle of democratic centralism means adhering to the principle of a high degree of centralism on the basis of a high degree of democracy and strictly implementing the principle of the individual being subordinate to the organization, the minority being subordinate to the majority, the lower level being subordinate to the higher level, and the entire membership being subordinate to the Central Committee. These are very important principles summed up from the historical experiences of our party. Undoubtedly, the entire membership must be subordinate to the Central Committee; otherwise, the party's line, policies, and principles cannot be implemented and the party's tasks cannot be fulfilled if each goes his own way.

We are mainly discussing the question of organization work at this meeting. In the next period, we will hold a central work conference and then the Fifth Plenary Session to discuss economic work. Economic problems can never be neglected. We have a powerful party. If we boost our economy, if we build a good agricultural basis and enliven our large and medium enterprises, we will certainly be able to "stand unmoved like a towering rock" no matter how the anti-China forces attack us. With its 1.1 billion people, what could China be afraid of? Of course, this does not mean that we should attack others. Economic problems should never be neglected. The whole party must unify its understanding on this question. Comrade Li Peng and I hold that it is necessary to make a conscientious study of a suitable financial structure to benefit our economic development. There is a general principle; that is, under no circumstances should the benefits of the existing industrial workers be reduced. In all countries, when handling relations between the workers' income and production increases, the question of keeping the rate of wage increases under that of labor productivity is always taken into consideration. Without this principle, the source of income will inevitably dry up. How can national construction be boosted? A professor from the U.S. Massachusetts Institute of Technology came to visit Shanghai, and I had a meeting with him. He told me that in the developed capitalist countries, the rate of wage increases must also be lower than the increase of labor productivity but slightly higher than price increases. Since China was liberated, we have always been saying that the immediate interests must be subordinated to the long-term interests, one's personal interests must be subordinated to the interests of the state, and the interests of the part must be subordinated to the interests of the whole. The combination of the three is very important. Based on this, we must emphasize the necessity of leading a hard life in the next few years rather than trying every means to satisfy our consumption desires. We must undergo some self-imposed hardships and quietly immerse ourselves in hard work, say, in the next 3 years or so, so as to successfully rectify and improve our economy. I believe that provided we rely on the working class wholeheartedly, the workers will certainly go through thick and thin together with us. As to the self-employed laborers and private enterprise owners, the state must protect their legitimate rights and interests, but must at the same time carry out strict management according to law and must strike relentless blows at the illegal practices of some people. A comrade has talked about the question of millionaires joining the party. After the report was carried by newspapers, many people were talking about it. A document of this meeting says that people who have exploited others cannot be admitted into the party. I am in favor of this. Our party is the vanguard of the working class. If we allow people who live on exploitation and do not want to forsake exploitation to enter the party, what kind of party will our party become then? In the initial stage of socialism, on the premise of taking the public ownership as the main sector of the economy, various economic sectors are

allowed to coexist. However, the individual economy can only be a supplement to the public ownership. We cannot put the cart before the horse and put the individual economic status and the private economy in an inappropriate position. Large and medium enterprises are still the backbone of the economic sector under ownership by the whole people. This can never be changed.

Third, it is necessary to strengthen the leading bodies at various levels in accordance with the principle of building a contingent of cadres who meet the "four requirements" and who have both ability and political integrity. Through screening and consolidation, we must check on our leading cadres. Comrade Xiaoping said that the party must take care of party business, that is, it must take care of the affairs of party members and cadres. We should adhere to the principle of the party taking care of the affairs of cadres. In the conference bulletin, you have all mentioned that the management of party affairs and the management of personnel affairs must coincide. But this is not contradictory to the management of cadre affairs by the party. The organization departments of the party must take charge of this matter. For example, in Shanghai, the affairs concerning cadres at the bureau director and deputy director levels are taken care of by the organization department of the municipal party committee. However, it once happened that a certain bureau director was changed but the vice mayor was not informed. This was not correct. Although the combination of the management of personnel and the management of concrete affairs does not mean that the vice mayor should manage concrete affairs concerning cadres, as he has an intimate understanding of the cadres, the organization department should seek his opinions before making the personnel change. Shanghai has also practiced the method of giving marks to cadres when making assessment of their performance. But this method may not be very practical. In the final analysis, when making assessment of the cadres' performances, it is still necessary to inherit the tradition of our party, especially to implement the mass line and go deep among the masses to solicit opinions from various quarters. In my opinion, this method is better than giving marks to cadres because by implementing the mass line and soliciting opinions from various sides and at various levels, including the cadres' neighbors and their superiors, we can have a better understanding of the cadres. I do not mean to totally negate the method of giving marks to cadres. It can still be taken as our reference. In the conference bulletin a comrade has put forth very good suggestions on the requirements for revolutionary cadres. Many other comrades have also raised the same question. All provinces can put forth their own requirements in light of their specific situations. In future, the Organization Department of the Central Committee will make a summary of them. In my opinion, we must at least continue to do well in the above-mentioned three fields in order to strengthen and improve party leadership.

**5. It is necessary to put the work of strengthening the party ideologically in an important and prominent position**

**in party building.** At present, it is particularly necessary to unify the thinking of the whole party with the spirit of the 4th Plenary Session of the 13th CPC Central Committee and several speeches of Comrade Xiaoping. The struggle against bourgeois liberalization must be continued for a long time to come and must be combined with education in strengthening the concept of party spirit. It is necessary to correct all the ideas and viewpoints that have been confused by the spread of bourgeois liberalization. Some comrades proposed to sum up and clarify some erroneous viewpoints and anti-Marxist-Leninist things which appeared in the previous period when party leadership was weakened. I think this is a good idea. Recently, when the education conference was in session, various universities were compiling teaching materials. In these teaching materials, we must tell the students clearly why China should be led by the CPC and why it should adopt the socialist system. These two points must be explained in light of both historical and current events. It is necessary to clearly explain the necessity of the two. In the past few years, whenever there were festivals, such as May Day, the May 4th Youth Day, and "December 9th," some people would take the opportunity to create troubles. In my opinion, through the recent efforts to stop the turmoil and quell the counterrevolutionary riot, bad things can eventually be turned into good things. We must all bestir ourselves. Just as Lu Xun said, on matters of political principle, we must be firm and resolute and must oppose all words and deeds which jeopardize the interests of the party, the state, and the people. We must continue to carry out reform and opening up, but must also resist the rotten ideologies of the bourgeoisie. Some people from Hong Kong said that Shanghai and Beijing have more bookstalls selling pornographic publications than in Hong Kong. This will certainly do harm to the coming generations and seriously corrode the youngsters. "Wiping out pornography" does not merely mean to confiscate the bookstalls. The first thing to do is to analyze their roots. Where do the pornographic publications come from? If the proletariat does not occupy the ideological positions, the bourgeoisie inevitably will. It is quite true. Recently, many schools have started the new semester. After the new semester began, more than 90 percent of the university students have started registering. Some have not come to school due to traffic blocks or sickness, and they have sent telegrams to school to ask for leave. Those who have come to school have usually attended some ideological education classes. Like other classes, they cannot be absent from these classes without leave. Therefore, the attendance rate is rather high, and very few have been absent from these classes. Generally speaking, the state of mind of most students is good. This is inseparable from the general situation and their education by the state, society, and their families. Therefore, from now on, we must never forget our responsibility of educating youngsters with proletarian ideals. Young people are our hope and future and our successors. Like the surging of the Changjiang, the new generation will certainly replace the old! Therefore, it is necessary to strengthen ideological and educational work. In the



future, we must carry out this work of our own accord and have the positions occupied by the proletarian ideals.

It is necessary to carry out criticism and self-criticism within the party. It is necessary to carry out inner-party ideological struggle. Ideological struggle has not been mentioned for many years. As a matter of fact, ideological struggle does not mean unlimited exaggeration of problems. It means sweeping away rubbish. Through criticism and self-criticism we can rectify some unwholesome ideas and check erroneous ideas at the outset. If we set strict demands on party members and often sweep away rubbish at ordinary times, it will greatly benefit our efforts to overcome erroneous ideas. It is also beneficial to making a clear distinction between right and wrong, unifying understanding, and strengthening the unity of the party.

In our effort to strengthen the party ideologically, we must encourage people to study some philosophy. Especially in the ranks of party-member leading cadres, we must strengthen this study. Now the Standing Committee of the Central Committee is working out a study program. According to this program, we will at least study two things. One is philosophy. For a considerably long period of time, we have neglected the study of Marxist philosophy, especially materialist dialectics. The idealistic and metaphysical way of thinking can still find support among some people. Some people often go from one extreme to another and cannot grasp the essence of things. This has something to do with the low philosophical level of leaders. The other thing to study is political economics. It is necessary to emphasize the way of understanding things with the correct stand, viewpoint, and method of Marxism and in light of the current realities. People can have different viewpoints in the theories of social sciences, but one thing can not be changed and must be unified, that is, they must observe problems with the stand, viewpoint, and method of Marxism. The guiding ideology and methodology of communist party members must be Marxist. This cannot be changed.

The above are five ideas I have offered. If there are any mistakes, your criticisms are welcome.

### **KYODO Reporters Interview Yuan Mu 15 Oct**

*HK1710063789 Beijing RENMIN RIBAO  
OVERSEAS EDITION in Chinese 17 Oct 89 p 1*

[XINHUA report by reporter Zhu Yunlong (2612 0061 7893): "While Interviewed by Japan's KYODO Reporters, Yuan Mu Answered Questions of Public Concern Both at Home and Abroad"]

[Text] Beijing, 16 Oct (XINHUA)—On the afternoon of 15 October, Yuan Mu, a spokesman of the State Council, was interviewed by a news-gathering group of Japan's KYODO News Agency headed by Tadashi Ito, chief of

the KYODO bureau in Beijing, at the Great Hall of the People, and answered some questions of public concern both at home and abroad.

[KYODO] We have learned that the 5th Plenary Session of the 13th CPC Central Committee will be held soon. Could you further reveal something about it?

[Yuan] As far as I know, the 5th Plenary Session of the 13th CPC Central Committee might be held at the end of this month, or early next month. The major item on the agenda of the session is mainly to discuss economic problems, and make an important policy decision on improving the economic environment and rectifying the economic order, and promoting a stable development of the national economy. Economic stability is the basis of the political and social stability. The session will surely attract the attention of the people throughout the country, and our foreign friends.

[KYODO] At present, China is facing serious economic problems. Could you give a forecast of the economic situation?

[Yuan] Since the 3d Plenary Session of the 11th CPC Central Committee, China's economy has been developing considerably. Over the past year or so, we have achieved initial results in improvement and rectification, and deepening the reform. From January to September this year, our country's industrial production was 8.9 percent higher than the same period last year. Regarding agriculture, production output of our summer crops was record high. We also reaped a good harvest of early rice. Total production output of both summer crops and early rice increased by 3.51 million tons over same period last year. Commodity prices have been gradually falling, and inflation has been initially under control. We have exercised control over investment in fixed assets, and have done a better job in withdrawing currency from circulation. Generally speaking, our national economy has been developing steadily amid improvement and rectification. The situation is better than expected.

However, our national economy is still facing fairly great economic difficulties. The present economic difficulties China faces did not surface in the past 1 or 2 years, but are the accumulated result over the years. A phenomenon of overheated economic development which were beyond our national conditions and power to varying degrees started occurring in our country in the second half of 1984. The main problems are: 1) The scale of our construction is too large and the rate of our economic development is too fast. 2) Our economic structure is irrational, and dislocations in the proportions have occurred in some aspects. 3) Our economic results are low, and extravagance and waste in various aspects are serious. It is right for us to emphasize macroscopic enlivening, but we neglected the work of strengthening macroscopic control and management. It is also right for us to streamline the government institutions and delegate power to the lower levels, but we neglected necessary

concentration. This caused a confusion in the economic order, and circulation order in particular. In light of the situation, the party Central Committee and the State Council have decided to spend 3 years or more on further improving and rectifying our economic order. Our emphasis has been placed on continuing to exercising control over total amounts (zong liang 4920 6852), and rationally readjusting the structure. In the meantime, we deepen and perfect various measures for reforms, and persist in the policy of opening up. As long as we do our work well, it can be expected that our national economy will progress along the track of sustained, stable and coordinated development. I am optimistic about the prospects of China's economic development.

[KYODO] RENMIN RIBAO recently published an article, stressing stability and unity. Does this mean that there are now in China some factors detrimental to stability and unity, and that the Zhao Ziyang faction has still fairly great influence?

[Yuan] My views are: In a short period of several months after the suppression of turmoil and counterrevolutionary rebellion, China has succeeded in rapidly restoring its social order, and setting people's minds at ease, and stabilizing the political situation. China's economy is also developing steadily amid improvement and rectification. It is not easy for China to do so. All this has fully shown that the majority of the Chinese people have trusted and supported the party and government. From their own personal experiences, they have realized that over the past 40 years since the founding of New China, their country has persisted in socialism, and that over the past 10 years in particular, China has concentrated its efforts on modernization drive, reform, and opening up. This has enable their country to gradually become prosperous, strong and powerful, and to make achievements which were unable to be made under the previous exploiting system. Therefore, all people support the leadership of the Communist Party, and socialism. Turmoil and rebellion aimed at overthrowing the Communist Party and subverting the socialist system do not enjoy popular support. Now our purpose in stressing the needs to consolidate and develop the political situation of stability and unity is to ask our people to value the present hard-earned situation, and to treasure and protect the hard-earned achievements in socialist construction. This does not mean that Comrade Zhao Ziyang, or what you call the "Zhao Ziyang faction" has still great influence. Of course, when Comrade Zhao Ziyang was in power, he supported and connived at the spread of the ideological trends of bourgeois liberalization. Such ideological influence has not been completely eradicated. In addition, some elements of turmoil and rebellion will not take their defeat lying down, and some criminals have not yet been arrested. Such unstable factors have still existed, but we must not exaggerate them. The following fact can support my views. At the 4th Plenary Session of the 13th CPC Central Committee, when we decided to dismiss Comrade Zhao Ziyang from his posts, all participating comrades unanimously approved the decision.

Furthermore, party organizations at all levels, grass-roots organizations, and people in various circles of the society have expressed their support for the decision through various channels.

[KYODO] What is your comment on the prospects of the improvement of relations between China and Western countries, and primarily the United States?

[Yuan] Since the establishment of Sino-American diplomatic relations, relations between China and the United States developed more smoothly as a whole although problems of this or that kind had surfaced. Recently some problems have cropped up in the relations between the two countries, mainly because in the course of stopping the turmoil and quelling the counterrevolutionary rebellion, China adopted some measures for purely solving the internal affairs of a country, which were not understood by some Western countries, and primarily the United States. They have also taken an erroneous stand of imposing the so-called "economic sanction" on us to wantonly interfere in China's internal affairs. The United States noted that this was partly due to misleading by mass media. Therefore, to continue to improve relations between the two countries, or to remove the existing obstacles and troubles, the U.S. side must take the initiative. There is no problem on our side with regard to the improvement of relations between our two countries. China mainly relies on its own efforts to carry out its modernization and economic construction. In the meantime, we also strive for foreign aid, including the development of economic and trade relations and technical cooperation with the developed countries of the West. However, such matter cannot be done by one side alone. It can only be carried out on the basis of equality and mutual benefit. I personally believe that China's relations, and economic and trade contacts with the Western countries, including the United States, will develop, sooner or later. One important fact is that the leadership status of the CPC is strong, and political situation in China is stable, and that China as a socialist country with 1.1 billion population under the leadership of the Communist Party has stood like a giant in the orient of the world. No countries in the world have negated the fact. It is impossible to isolate China.

Regarding the so-called "economic sanction" on China, we have noticed that it has been relaxed recently, but has not been lifted. The situation has not returned to normal. The Chinese Government has repeatedly expressed its views on it: First, we are not afraid of it, and will never yield to any pressure aimed at interfering in our country's internal affairs. Second, China will persist in carrying the struggle on just ground, to our advantage and with restraint. Of course, the so-called sanction will bring some temporary difficulties to China, but it will also arouse the Chinese people, so that they will rely on their own strength and go all out to make their country strong. Besides, "sanctions" will also harm those who "impose it" on others.

[KYODO] What are your hopes for Japan-China relations?

[Yuan] China and Japan are close neighbors separated only by a strip of water. The governments and peoples of our two countries have hoped that their countries will be friendly with each other from generation to generation, because this conforms with the basic interests of the two peoples, and the interests of the people in Asia and the world. After the restoration of Sino-Japanese diplomatic relations, friendly and cooperative relations between the two countries developed considerably. Now some undesirable things have also occurred in Sino-Japanese relations due to factors on the part of the Japanese side. But we have also noticed that what the Japanese have done has been different from that of the Western powers, and that they have expressed the desire of gradually improving their relations with us. From a historical angle, I hope that this unhappy thing is only an episode in the friendly relations between the two countries. As far as my hopes are concerned, I hope that politically the two countries will remain friendly relations for a long period of time based on the Five Principles of Peaceful Coexistence, that economically, bilateral trade will continue to grow, that China's trade deficits will continue to shrink, that the funding cooperation agreement between the two countries will be further implemented, and that Japan will create fewer obstacles and be more open in technological transfer. I am also optimistic about the prospects of development of Sino-Japanese relations.

[KYODO] What is your comment on the "elastic diplomacy" of the Taiwan authorities?

[Yuan] The PRC is China's sole legal government, and Taiwan is part of China's sacred territory. This principled stand of ours brooks no change. We resolutely oppose any words and deeds that may lead to Taiwan's separation from the motherland. The Chinese Government's recent termination of diplomatic relations with Grenada and Liberia expressed this solemn stand of ours. There is no future in the Taiwan authorities implementing the so-called elastic diplomacy, and creating "two Chinas" or "one China and one Taiwan." We are also resolutely opposed to this. We will firmly and unswervingly promote the great cause of the peaceful reunification of the motherland in accordance with the idea of "one country, two systems." We hope that the Taiwan authorities will conform with the general trends of history, and take a wise policy decision beneficial to the reunification of the motherland.

[KYODO] China recently stressed upholding the four cardinal principles and strengthening ideological and political work. Does this mean a reversion to the period of the "Great Cultural Revolution?"

[Yuan] Our party's basic line is "one center, two basic points." In other words, we must take economic construction as our center. While upholding the four cardinal principles, we must also uphold reform and opening up. In the recent past, our ideological and political work was weakened due to inadequate and inconsistent efforts in upholding the four cardinal principles. This is the main domestic reason contributing to

the turmoil and rebellion which happened not long ago. After summing up experience and lessons in this aspect, we stressed upholding the four cardinal principles and strengthening ideological and political work. Our purpose in doing so is to promote the modernization drive, reform, and opening up along a more effective and healthy path. This concept is entirely irrelevant to reversion to the period of the "Great Cultural Revolution." The Chinese people have suffered enough from the "Great Cultural Revolution," and will never forget the pain even after the wounds have healed.

### Li Ruihuan Addresses Antipornography Meeting

HK1610110689 Beijing RENMIN RIBAO  
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[Article by Li Ruihuan (2621 3843 3883): "Speech at 'Anti-Pornography' Work Conference of Four Southern Provinces (11 September 1989)"]

[Text] On 24 August this year, the CPC Central Committee and State Council held a national telephone conference on screening the book, periodical, and video market. After the conference, the campaign to wipe out pornography started nationwide. The responsible persons of the party and government of most of the provinces, autonomous regions, and municipalities took the lead and made specific arrangements. A number of localities set up special groups with leading cadres assuming responsibility at various levels. The broad masses responded enthusiastically to the antipornography decision made by the central authorities, expressed their unanimous and firm support for the decision, and believed that it is a good, practical thing done in the interests of the masses. Xiaoping, Chen Yun, Xiannian, and other veteran comrades showed great concern over the campaign and hoped that satisfactory results would be achieved. The atmosphere against pornography is taking shape nationwide. The localities that have taken action have confiscated and banned large numbers of obscene books, periodicals, and video tapes, banned the stalls and markets especially selling obscene books and video tapes, and closed down publishing and printing houses and the network for producing and selling pornographic items. Changes have already taken place in the book and periodical market. On the whole, initial success has been achieved in eliminating pornography. The development of the campaign is normal.

We should also be aware that the antipornography campaign has just started and development in all localities is not even. Some "dead angles" have not yet been touched. Moreover, the leaders of some localities have not yet attached importance to the campaign. They are still at the stage of mobilization and work in many fields has not yet been implemented. Hence, the pressing matter of the moment is to further promote the antipornography campaign and prevent it from going from a fine start to a poor finish. To achieve this, the key lies in strengthening leadership and grasping the work firmly.



First, pay close attention to understanding. There are many reasons for the failure to deepen the antipornography campaign in many localities, but the essential one lies in leaders' lack of understanding of the importance and urgency of the antipornography campaign. The central authorities are determined in this current antipornography campaign and the Standing Committee members of the Political Bureau reached unanimity on carrying the campaign through to the end. This is by no means "a fuss over a trifling matter." Instead, it is an important work for implementing the spirit of the 4th Plenary Session of the 13th CPC Central Committee. The antipornography campaign is a component part of the struggle against bourgeois liberalization. The society being flooded with obscene books, periodicals, and video tapes constitutes a grave consequence of bourgeois liberalization. In turn, it plays the role of inciting the unchecked spread of bourgeois liberalization. One of the essential means adopted by hostile forces abroad to pursue their strategy of "peaceful evolution" in China is poisoning our people with "pornographic toxins." This can be proved by the dregs of society who jumped out to serve as daring vanguards in the current counterrevolutionary rebellion in Beijing. The antipornography campaign is a guarantee for the smooth progress of reform and opening up. Some comrades are worried that the campaign will affect the open policy. This worry is unnecessary. Eliminating the pornographic things and wiping out the "mosquitoes" and "flies" will be advantageous to improving the investment environment and doing a better job of opening up. The antipornography campaign is a breakthrough for strengthening the building of spiritual civilization. The spread of pornographic things despite repeated warning indicates the serious mistakes made recently in the building of spiritual civilization. Unless this question is settled, bringing up people with lofty ideals, moral integrity, better education, and a sense of discipline; improving the qualities of the nation; and establishing a fine social order will only be an empty talk. The antipornography campaign is a practical move taken to do things for the masses and to increase the party's reputation.

The masses bitterly hate pornographic things and have responded strongly to the matter. If we cannot even settle this question, it will be impossible for us to win the confidence of the masses. Hence, party committees at all levels should place the antipornography campaign on top of their agenda and pay close attention to the work. You [four provinces] are located along the coast. You shoulder heavy responsibilities and have encountered many difficulties. When you return home, I hope that you will give an account to the chief responsible comrades of the provincial party committees so that they will also take note of the matter.

Second, pay more attention to implementation. Numerous facts have proved that much of our work has not been properly done. This is due to poor leading work style and efficiency rather than to principle and train of thought. As a consequence, many good tentative ideas

have become an empty talk. To do a good job in the antipornography campaign and attain the desired results, the most important thing is to seize upon the work and pay close attention to it from beginning to end. This is because: First, the campaign against pornography is extremely difficult. Obscene books, periodicals, and video tapes have spread unchecked for a long time; "it takes more than one cold day for the river to freeze three feet deep." They spread far and wide to urban and rural areas. Many people, including ordinary masses, party members, and cadres have been involved. Moreover, the pornographic sources which are scattered and hidden connect China with abroad, leaving a great deal of work for us to tackle. Unless we make great efforts and do work in a down-to-earth manner, it will be impossible to obtain the desired results. Second, pornographic poison is deep-rooted. Because of the weak link in ideological and political work and the slackened efforts to uphold the four cardinal principles in recent years, a number of young people have been corrupted by Western decadent ideas and the idea of "putting money above everything else." They have no lofty ideals or pursuit of a bright future in their life. Some of them have been seriously poisoned by pornography and are unable to extricate themselves from its quagmire. Some people forget all moral principles at the sight of profits. They regard production and selling of pornographic items as a channel for making profit. Indeed, some people and units made a good profit by producing and selling pornographic items. A handful of cadres from some counties and townships also regarded this dirty deal as a means to make money. Instead of attacking, they accommodated such practices and even collaborated with the agents abroad to directly engage in illegal activities. For this reason, only by dealing with the matter from the bottom can we continue the antipornography campaign and consolidate the initial successes we have achieved. Third, there is a historical lesson. Although we have launched antipornography campaigns on many occasions, why has pornography spread unchecked despite repeated warnings? An essential reason lies in the failure to deal with the matter properly and earnestly. Some "pornography mongers" have seen through our shortcomings of rushing headlong into mass action. When the antipornography wind blows, they try to go underground to hide themselves, stay away from trouble, and wait for an opportunity. When the wind passes by, they will rise again, intensify their efforts, and stage a comeback. Therefore, we should prevent the antipornography campaign from going from a fine start to a poor finish and coming to a halt halfway.

The key to grasping the work lies in overcoming the superficial style of work and strengthening guidance over the campaign. All units should have requirements, measures, and arrangements, and conduct inspection. They should implement the responsibility system and fulfil the tasks for people at all levels. The work should be focused on supervision, inspection, and implementation. Leading comrades concerned should go to the first line of the antipornography campaign and carefully conduct an

inspection of the antipornography work within the scope of their authority. For example, have the antipornography public opinion and social forces taken shape? Are all the obscene and reactionary books, periodicals, and video tapes confiscated and destroyed? Are the banned books and periodicals examined? Has management been exercised over the individual businessmen selling the dirty stuff? Have the leading bodies of the questionable publishing houses, printing factories, and book stores been reorganized? Have the measures to enrich people's cultural life been implemented? Have the rules and regulations for supporting outstanding publications and strengthening management over the video market been formulated? All these should be supervised, examined, studied, and implemented one by one. Whether the antiporn campaign can be developed in depth depends on mobilizing the broad masses. It is the masses who know where pornographic things are produced and sold. Only when the masses are concerned with and support the campaign and when they are combined with special forces can we form an antiporn network, leave no place for pornography to shelter, launch the public opinion that it is honorable to resist pornography, shameful to be addicted to pornography, and criminal to sell obscene publications, and create an atmosphere of everyone crying "kill it" when they see a rat running across the street and when pornographic things appear at any time. Only by doing so can we say that our work is properly done. The antipornography campaign involves propaganda, culture, publication, industry and commerce, taxation, public security, customs, frontier guards, education, mass organizations, and many other departments. We should organize all forces to tackle the question in an all-around way. On the one hand, all relevant departments should proceed from the overall situation, undertake tasks on their own initiative, and avoid shifting responsibility onto others and disputing over trifles. On the other hand, the party committees and government should strengthen unified leadership, do organization and coordination work well, and share out the work. We should mobilize the forces of the entire society, fight an all-out war, and seize victory in the antipornography campaign.

Third, seize the focal points. What are the focal points of the antipornography campaign? This should be determined in light of local conditions. The nationwide focal point at present is to concentrate forces to eliminate the sources of pornography. Unless we concentrate forces to screen the units and localities that produce and sell obscene publications, we will never be able to eliminate pornography. For example, Fujian's Shishi, Zhejiang's Wenzhou, Hainan's Haikou, and a number of coastal cities should be the focus of the current campaign. In collaboration with people abroad, these localities smuggled, reproduced obscene publications and video tapes in large quantities and sold them in the interior, bringing calamity to the whole country. Prostitution and gambling prevailed in some localities and have become underground illegal social forces. We must resolutely

eliminate these underground forces. A number of publishing houses, printing factories, and book sellers from some provinces including those in the interior printed and published large quantities of obscene, vulgar publications and video tapes. They also have a well-organized underground distribution network. These units must be thoroughly reorganized and never be allowed simply to go through the motions. Bad books must be confiscated and banned, the publishing houses and printing factories must be closed down, and the persons involved must be punished. In the large numbers of publishing houses in some localities, the quality of personnel is poor and the organizations there are thrown into confusion. We should take this opportunity to close down a number of these publishing houses. Regarding the publishing houses and printing factories which printed obscene publications, their licenses must be revoked. The responsible persons must receive education and punishment. Apart from imposing economic fines, they should also undertake administrative or legal responsibility. We should completely destroy the houses and factories that produce obscene video tapes, books, and periodicals and illegal publications, and sternly punish according to law the principal organizers, producers, and sellers. We should also mete out punishment against units and individuals who help these people do evil by selling their magazines and against the brokers of obscene books and video tapes.

Various localities must carefully study and fix their own key points for work according to the practical situations they face. Attention must be paid to concrete analyses and instructions must be given according to varied conditions. Regarding the problem of lack of attention by the leaders, the problem must be solved; regarding the problem that the masses have not been mobilized, they must first be mobilized; and regarding the work that has not been practically realized, efforts must be made to realize it. To grasp the key points, we need determination, strength, and persistence to seriously push to the end. In the matter of public opinion, we must create an atmosphere so as to arouse attention from the whole party and the whole society. Regarding strength, we must gather the elite forces and concentrate strength to fight a battle of annihilation. Regarding arrangement, attention must be paid to scientifically organize strength, select a point for breakthrough, and begin work according to procedure. Regarding implementation, we must be vigorous, be brave to face obstruction, and never cease until we achieve our aim.

At present, when cleaning up various reactionary and illegal publications, audio and video tapes with serious political mistakes, first attention must be paid to gathering the necessary strength to clean up pornographic works. It is not very difficult to distinguish pornographic materials from those that are not. Excluding obviously pornographic and obscene publications, audio tapes and video tapes, those works with pornographic contents, naked or partially naked bodies must be judged from their purposes and starting points of creation and production, and from their basic styles and basic tendencies.



In some well-known literature, out of the needs of the plot, when it comes to the private love of a couple, some minute descriptions or pictures might be needed, but the whole work is decent, healthy, and beneficial; this kind of book and other audio or video tapes and films should not be classified as pornographic materials. Some works are different; their purpose of mixing in pornographic materials and pictures of naked or partly naked bodies is to play games and go in a roundabout way to sell and preach obscene things, or use obscene things as means to attract audiences or readers. The basic style of these works is low, vulgar, dispirited, harmful to the mind of the young people, and is causing very bad social consequences. These are pornography, not the so-called "ball touching the edge"; they must be resolutely prohibited and banned.

To grasp the key points, we must grasp them firmly once we see them. We must not be shaken by criticisms, or overwhelmed by difficulties. Comrade Mao Zedong once said: "The thing that matters in this world is 'seriousness,' and the Communist Party is very serious." We must be serious in "cleaning up pornography!" The comrades who are in charge of "cleaning up pornography" must clearly understand the work they are responsible for, and personally participate in the realization of important tasks. To conclude, attention must be paid to grasping the key points. Without the key points, there will be no policies; without the key points there will be no rules; and without the keypoint projects there will be no big development. We all have to learn grasping the key points.

Fourth, grasping examples. Selecting an example with a model meaning and handling it with wide publicity is an important link in further enhancing the endeavor in "cleaning up pornography." By doing this, we can make clear the determination of the leaders, mobilize the great masses of the people, and threaten the bad people. And by doing this we can embody the party's policy. In order to isolate and crack down on a small handful of bad people, and to save those who have made minor mistakes and those who can be educated, we must uphold the policy of leniency for honesty, harshness for resistance, meritorious services as atonement for crimes committed, and awards for big meritorious services. Various localities must pay attention to typical cases when choosing examples; there must be leniency and harshness so as to overpower the bad people and promote work. Handling some cases in a prepared way can also lay a better foundation for handling cases in the future and formulating relevant principles, policies, and rules.

In the past, one of the important reasons why our work in "cleaning up pornography" had no obvious result was because we were not tough enough; those that should be handled had not been handled, those that should be seriously punished had not been seriously punished, and those that should be sentenced by law had been punished by economic means, therefore the arrogance of criminal elements had not been truly overcome. This time, emphasis is placed on grasping examples for the sake of

resolutely changing this situation, and overcoming the arrogance of criminal elements, also resolutely. If we do not do this, we cannot truly mobilize the people, and if we do not do this we cannot stop such arrogance in the future. We must do as we did in handling Liu Qingshan and Zheng Zhishan shortly after the liberation, giving the cases wide publicity so as to threaten the criminal elements. To those who have committed extremely serious crimes and must be executed to appease the people's grievances, they must be handled rapidly and seriously according to law. Then the radio, television, and newspapers must coordinate in conducting a large-scale propaganda to create a strong public opinion for "cleaning up pornography," to mobilize adequate social strength, and to keep further deepening "cleaning up pornography."

Last but not least, I want to discuss the problem of promoting literary prosperity. In the whole process of modernization construction and reform and opening up, a very important topic we must hurriedly tackle is to vigorously step up the construction of socialist spiritual civilization; it is a long-term and arduous task. I have mentioned that we must grasp "cleaning up pornography" on the one hand and promoting literary prosperity and a booming cultural life for the people on the other. This principle must be staunchly upheld. Literary prosperity cannot be brought about only by grasping "cleaning up pornography." In any country, literary prosperity relies on the development of healthy and excellent literary creations and performances, and with these healthy and excellent literary works and cultural activities to occupy the market so as to leave no market for the pornographic, low, and vulgar things. Therefore, basically, to completely solve the problem of "cleaning up pornography," it is necessary to occupy the cultural market with healthy things which the masses would like to see and hear, and to satisfy their needs in cultural life in varied ways. To bring prosperity to socialist literature and arts is a big problem, and at this meeting it is impossible to launch a specific study, but this is a very important problem, which deserves hard efforts for a solution.

#### Opposition Group President Outlines Goals

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ALLGEMEINE in German 7 Oct 89 p 6

["ITT" report on interview with Chinese dissident leader Yan Jiaqi: "The Common Goal Is Clear"; date and place not given]

[Text] Frankfurt—"Before Deng Xiaoping assumed power, the United States was the CPC's main enemy; subsequently this role was played by the Soviet Union; and today we have assumed it, which is good. The government constantly denounces us as counterrevolutionaries, in this way actually propagandizing our cause." Yan Jiaqi, political scientist and a long-time adviser to party leader Zhao Ziyang who was removed from his position in spring, has been appointed president of the "Federation for a Democratic China" (FDC). About 160 delegates and about twice as many observers

from all over the world met at the Sorbonne in Paris from 22-24 September to found this party in exile. The FDC is trying to unite in an umbrella organization all democratically-minded patriotic forces, from the Kuomintang to reform-minded communists, which can rely on the support of 60 million Chinese abroad. After a heated debate, the delegates adopted a manifesto and elected three spokesmen: 21-year-old student leader Wu'er Kaixi; Wan Runnan, founder and manager of the first Chinese private enterprise "Stone Electrics," who has been assigned the task of managing the party; and finally Yan Jiaqi. All three have since June been on the Deng regime's list of wanted persons because of "counterrevolutionary crimes."

In a talk with FRANKFURTER ALLGEMEINE, Yan Jiaqi, a frail man in his forties, was optimistic and reserved at the same time. "We are not afraid of turmoil or competing war lords after Deng's death. Li Peng, who can only rely on the support of a small minority, will not be able to survive politically, and there will be a discussion of this year's pro-democracy movement, which must lead to a reappraisal. We want evolutionary change, not a violent revolution." The FDC represents the Chinese people who will not forgive and forget anything, Yan stresses. Dissatisfaction has constantly increased during the past 10 years, and the anger over the abuse of power and corruption among the officials will erupt one day.

Deng's economic reforms were overestimated in the West. Private enterprises account for only one or two percent of the country's economy. "We are aware that changes in China cannot be brought about by simply transferring a Western ideology, but every single step toward democracy, such as the freedom of press, would represent a success," Yan points out.

According to Yan, struggles between different groups within the FDC are unavoidable and even useful, as long as every group is willing to discuss things. "There will certainly be resignations within the FDC, but no banning, not to mention executions. There will be no more war between the Kuomintang and the Communists. We discussed every point of the manifesto in Paris until late into the night. There were enormous differences of opinion, but the common goal was clear."

The FDC president is elected for a 2-year period, with a maximum of 2 periods being allowed for each president. Yan counts on the support of 100,000 young Chinese who are currently studying abroad. The FDC is financed on the basis of donations from its members or supporters. The organization apparently receives large funds from the United States where Chinese influence is traditionally stronger than in Europe. "We receive funds from Hong Kong, from the United States, and we also borrowed money from 'Stone Electrics.' Of course, we are also interested in donations from Europe, but not at the price of attempts to exert influence. We would not accept money from the Taiwan government, for example, but we would accept it from a Taiwan entrepreneur."

Yan Jiaqi does not consider a comparison of the Chinese situation with the situation in Eastern Europe very useful. "However, we can of course very well understand the motives for the mass exodus of GDR citizens. In this country, too, there is no freedom and no possibility of putting up resistance. But in 1, 2, or 5 years' time there will be an organization in the GDR that is similar to ours." In Yan's view, Western politicians can support the FDC's cause by not traveling to China until Li Peng is removed from office after Deng's death. Cultural exchange or visits by tourists do not do any harm, he believes. A total boycott would affect the wrong people.

The FDC has set up its headquarters in Paris "because we must support Chinese influence to a greater extent in Europe than in the United States." In the long run, Yan Jiaqi sees his role within the FDC as that of a theoretician: "Our Secretary General Wan Runnan is a pragmatic person. He will tell us what is possible and what is not possible. I will soon concentrate exclusively on theoretical work. First steps have already been made in this direction. It will be urgently needed in a new China one day."

#### Commentary Urges Party Spirit in Journalism

OW1410223289 Beijing ZHONGGUO JIZHE in Chinese  
No 8, 15 Aug 89 pp 4-5

[Monthly commentary: "Upholding the Principle of Party Spirit in Journalism"]

[Text] During the year of the snake, China's news organizations underwent a severe test.

The 2 months of the student unrest in the capital during the early summer and the subsequent turmoil which culminated in the counterrevolutionary rebellion, were stormy and earthshaking. In the face of this test, some news organizations upheld the correct political orientation and played a role in galvanizing the people. Others incited trouble during the turmoil and caused a serious error in guiding public opinion. In this regard, some readers came up with the sharp criticism: "The Communist Party is running newspapers that oppose itself."

After a sober review of the past and thoughts about the future, it is obvious that the lesson from this experience is a profound one.

The core of this lesson is whether or not, in the theory and practice of journalism, to uphold the four cardinal principles and oppose bourgeois liberalization. The most fundamental issue is whether to intensify or eradicate the party's control over journalism, and whether to remove or uphold the principle of party spirit in journalism.

Journalism plays an important part in the overall socialist cause of China. The "preface" in China's Constitution clearly stipulates that the four cardinal principles must be upheld. Article 22 also stipulates that China's news, broadcasting, and film industries must serve the people and socialism. As far as journalists are

concerned, upholding the four cardinal principles and the party's control of journalism is a matter of adhering to and enforcing the Constitution. There should not be any doubt about this. The structure of news organizations in China has become varied, multi-level, and multifunctional. Newspapers, news agencies, radio, or television stations should develop their own characteristics because their functions, readership, audience, and business are different. But they must all act according to the Constitution which is a principle that everyone must adhere to without any exception. If the Constitution is ignored or even violated, then there will not be such a thing as a socialist news media. It is worthy to note that for quite a while certain strange views, aimed at weakening and breaking away from the party's leadership, appeared in the news media. Earlier, these views became the ideological roots that caused opinion to be erroneously influenced.

One of these views denies the role of the news media as a socialist mouthpiece. Some people discredited this function of journalism, saying that "mouthpiece is not a sweet-sounding word." Others called it "the emperor's speech organ," and said that the "mouthpiece structure" has made news organizations into "organs that passively take orders."

The socialist news media are the mouthpiece of the party and the government. At the same time they are also the mouthpiece of the people. This is determined by the nature and functions of China's socialist journalism. Although the main functions of each news organization may differ, China's news media must all reflect the line, principles, and policies laid down by the party and the government, and report how they are being implemented around the country. They must also reflect people's suggestions, criticisms, demands, and wishes. This is the important work and the mission of news organizations. No one can ignore it. The role of journalism as the mouthpiece of the party and the people during the years of the revolutionary war has not diminished nor vanished during today's socialist modernization. It can never be replaced either. Denying the role of mouthpiece in news organizations and trying to break away from the party's leadership not only goes against the party's tradition with regards to journalism, but also does not accord with the current situation and realities of journalism in China.

With the development of the current situation, journalistic work in our country has been faced with some new circumstances while the new situation has put some new demands on this work. For example, with reform, opening up, and the development of the planned socialist commodity economy, the press is required to disseminate more information. With the development of socialist democracy and the socialist legal system and with the reform of the political structure, the press should play a greater role in supervising public opinion. These are requirements of the times and are also necessary if the press is to cope with the situation and further

improve its functions. The role of the press in disseminating information and supervising public opinion and its role as a mouthpiece are two things that promote each other rather than exclude each other. We should not negate the media's role as a mouthpiece because we attach importance to its role in disseminating information and supervising public opinion. We should also not ignore the media's role in disseminating information and supervising public opinion because of the emphasis we put on its role as a mouthpiece.

Another view is to oppose the principle of party spirit in journalism. Some people have said that "it is all the more inappropriate to include the party spirit in the core of journalism," and to do so is to "do more harm than good." They have even asserted that "the unknowing state of our journalistic work" is caused by "political concepts such as party spirit." Because of this, they added, "people should not be blamed for being skeptical about the credibility of our journalistic work."

How should we assess the principle of party spirit in journalism? What does it mean? These are questions that must be clarified. If it means that news media should publicize the party's position and intentions, or in other words, the party line, principles, and policies, then it goes without saying that this job, which is the unshirkable duty of journalism, must be well performed and in no way should poor work be done in fulfilling this duty. If the principle of party spirit should include the party's organizational principle, method of thinking, and style of work, then what is wrong for our news reports to touch on democratic centralism and the party's three important styles of work—integrating theory with practice, forging the closest possible links with the masses, and practicing correct criticism and self-criticism? What is wrong for our news reports to talk about the purpose of the party—that is, serving the people wholeheartedly—and its ideological line of seeking truth from facts? How can this be described as "doing more harm than good"? Why the unwarranted accusation?

An article "questions" the correctness of the statement that "there is no absolute freedom of the press." The article blames those saying that "there is no absolute freedom of the press" for "not knowing the theory of press freedom." These people, the article says, "do not like freedom but have to talk about freedom," and so they chant "incantations" to forbid "freedom from stretching out wings and flying away from their hands."

As everyone knows, the Constitution of our country expressly provides that the citizens of the People's Republic of China enjoy freedom of speech and of the press. At the same time, Article 33 of the Constitution stipulates in explicit terms that while enjoying the rights prescribed by the Constitution and the law, citizens "must perform the duties prescribed by the Constitution and the law." In addition, Article 51 states that "the exercise by citizens of the People's Republic of China of their freedoms and rights may not infringe upon the interests of the state, of society, and of the collective, or



upon the lawful freedoms and rights of other citizens." These provisions in the Constitution unequivocally apprise people that rights and duties are correlated. When you enjoy your rights, you must fulfill your duties at the same time. The so-called "bird of journalism" has the freedom to fly, but this must not infringe upon the interests of the state and society or upon the freedom of others. If "the absolute freedom of the press" wants to fly away from the "hands" of the provisions of the Constitution and the law, it will inevitably embark on the vile road of violating the fundamental law of the state. As a matter of fact, so-called "absolute freedom of the press" is merely a sort of false decoration and actually nonexistent even in the West where "freedom of the press" is profusely talked about.

The storm in the capital has passed. But the review of the news media brought about by this political struggle is far from over. Pondering the past and the future, one feels how weak the four cardinal principles have been as a basic ideology for education in the news media, and that the spread of the bourgeois liberalization ideologies in the news media must not be underrated. Now is the time to do something about it. In the struggle to uphold the four cardinal principles and to oppose bourgeois liberalization, we must also uphold the principle of party spirit in journalism, uphold the political orientation that journalism must serve the people and socialism, and resist the various viewpoints on journalism of Western bourgeoisie. While implementing the party's line, principles, and policies since the 3d Plenary Session of the 11th CPC Central Committee, and executing the party's basic line of "one central task and two basic points" we must step up instruction on socialist journalism theories and professional ethics for journalists, overcome the corrosive influence of corrupt bourgeois ideologies, and nurture a contingent of journalists who are moral, idealistic, educated, and disciplined. While reviewing our experience and upholding a fine tradition, we must draw on the useful experience of foreign countries, and develop a socialist journalism that has Chinese characteristics guided by Marxism.

To adapt to new circumstances, meet the requirements of a new task, and fully exercise the role of the news media, we must continue to promote its reform. Its reform will accord with the guiding ideology of the four cardinal principles and aim at developing and perfecting China's socialist journalism. During reform, the party's control of journalism and the principle of party spirit in journalism must not be altered.

Journalism acts as a drummer for the 1.1 billion people of China during their march forward. We should strive to move forward because times are calling for us; the party and the people are placing their hope on us.

#### Article Discusses Theories on Antiriot Measures

HK1310035989 Beijing RENMIN GONGAN BAO  
in Chinese 22 Sep 89 p 3

[Article by Guo Shenggui (6753 4141 6311), senior colonel and chief of staff of a certain PLA unit: "Thoughts on Antiriot Theories Under the People's Democratic Dictatorship"]

[Text] During a period of nearly four months from March to June this year, riots and turmoils successively occurred in Beijing, and some other medium and big cities throughout the country. The "June 3d" counterrevolutionary rebellion took place in Beijing. All this greatly harmed the political and economic construction of the party and the state, and constituted a threat to the stability of our state power. The blood shed by our martyrs who laid down their lives in quelling the counterrevolutionary rebellion, and the great economic losses caused by the incident have told us that the struggle of preventing and quelling riots under the people's democratic dictatorship is a issue which must be urgently solved by our party and government.

#### 1. Analyzing the characteristics of the "June 3" counterrevolutionary rebellion:

When spring was changing into summer this year, riots, turmoils, and counterrevolutionary rebellion occurred in our capital Beijing, and some other medium and large cities. Judging from the whole process of these events, we know that they bore the following seven marked characteristics.

1) Long premeditated action and sinister intentions. Supported and guided by the counterrevolutionary political force of the West, a small number of die-hard elements inside the party who persisted in the stand of bourgeois liberalization and embarked on political conspiracy for a long time had been busily and secretly preparing and plotting turmoils and counterrevolutionary rebellion around the anniversary of "May 4th" movement this year. First of all, they made use of reactionary newspapers, magazines, and radio stations abroad, and some mass media at home under their control to wantonly distort the facts and whip up reactionary public opinions to oppose socialism. Supported and connived at by certain splittist elements inside the party, they adopted such methods as fabricating rumors to poison people's minds at home, preparing the theories for supporting turmoils, and so on by making use of various illegal organizations including "salon," "society," "federation," and so on to bide their time. Taking advantage of the death of Comrade Hu Yaobang in last April, they instigated a "student unrest" in advance to launch a surprise attack on the party. Later, they organized and engineered the "June 3d" counterrevolutionary rebellion which shook both China and the world. They tried to topple the Communist Party and the socialist system at one go. This demonstrates the reactionary nature of these events.

2) Fabricating rumors to poison people's minds and making use of the student unrest to launch their attack. The organizers and plotters of the counterrevolutionary rebellion were good at the game of fabricating rumors to poison people's minds, combining threats with inducements to force young students to take part in classroom boycott, demonstration, and "student unrest," and making use "student unrest" to attack the party and government. At the beginning of the turmoils, under the

signboard of opposing corruption, punishing government profiteers and promoting democracy, some reactionary elements who claimed to be "elite" in the intellectual circles fabricated such rumors as "Hu being annoyed to death," "a vehicle of communist police officers crushed three students," "April 20th murder case," "more than 1,000 scientific and technical workers plunging into a bloodbath," and so on. They did everything possible to incite a confrontation between the party and government, and students, residents, and workers. The "Voice of America" and some reactionary mass media in Hong Kong and Taiwan—"rumor manufacturing companies,"—and "wholesale rumormongers" on the mainland collaborated with each other to make an uproar. In a brief period of time, our capital Beijing and some medium and large cities were shrouded in political rumors, and large-scale political turmoils occurred in the whole country.

3) Reactionary elements at home collaborated with foreign reactionary forces in their evil deeds. Before the occurrence of turmoils and rebellion, some reactionary forces both at home and abroad such as "China's Democratic Federation," "China's Spring," some Western news agencies, and anti-Chinese forces in Hong Kong and Taiwan which hated the communists coordinated with rioters at home from afar. They not only wantonly scolded and slandered us politically, but also imposed economic and technical "sanctions," or blockades on us, trying to compel us to submit.

4) Resorting to varied tactics to press forward readily. The first means adopted by rioters was to instigate students to go out to the streets to demonstrate. Student demonstration later developed into sit-ins, campaigns to support demonstrations, hunger strikes, and reactionary rebellion to force our party to leave office. Their slogans gradually corresponded with the final aim of the rebellion. First, they opposed the "incompetent government." Later, they changed it into "corrupted government," "reactionary government," and "fascist government." Eventually, they wanted to "overthrow the Communist Party."

5) Various organizations were formed and the bad became mixed with the good. The organization, engineering and actions of the "June 3d" counterrevolutionary rebellion were mainly carried out by such organizations as "Self-Government Federation of Beijing College Students," "Self-Government Union of Beijing Workers," "Federation of Intellectuals," "Federation of Writers and Artists," and so on which were supported by some terrorist groups which served as hatchet men like "flying tiger group," "dare-to-die corps," "workers' pickets," and others. Some other reactionary "federations," "parties," and "corps" were also formed in the relevant provinces and cities. During a period of time, Beijing and the relevant provinces and cities throughout the country were overgrown with various kinds of counterrevolutionary rebellious organizations. The main elements of various organizations included political hooligans and traitors Fang Lizhi, Li Shuxian, Yan Jiaqi, and others who engineered behind the scenes, manipulated,

or commanded the counterrevolutionary rebellion. The ringleaders of various kinds of organizations were college students who were seriously poisoned by bourgeois liberalization, political speculators, some staffs in intellectual circles, unprincipled workers who bore a grudge against the party, and people without fixed duties in the society. Those who came out without any disguise on the frontline were mostly ruffians, criminals who fled hither and thither, those who were released after serving a sentence, but failed to transformed themselves well, and persons who had a deep-rooted hatred for the party and socialist system. Inside our party, there were truly some hidden traitors who participated in the counterrevolutionary rebellion. But those who were involved in creating disturbance, looked on at the incident, or participated in the demonstration were mostly persons who were fooled by rumors, or ignorant of the facts.

6) Showing their true colors through burning, killing, looting, and smashing. When those organizers and plotters of the counterrevolutionary rebellion failed to attain their aim through demonstration, they committed an evil and fascist outrage of "burning, killing, looting, and smashing" in Beijing, Shanghai, and other cities. Beijing which was plagued by rebellion and Shanghai, Chengdu, Changsha and other cities which were seriously affected by turmoils suffered from enormous economic losses. Our losses in other aspects were too great to be calculated in terms of money.

7) The whole process of the events included four stages of student unrest, turmoil, rebellion, and failure. Viewing the whole process of the counterrevolutionary rebellion, we are aware that it was roughly composed of the four stages. First, during the stage of student unrest, the organizers and plotters of the counterrevolutionary rebellion put forward some instigating slogans which seemed to be reasonable. They made use of the patriotic enthusiasm and political immaturity of young students to instigate student unrest to put pressure on the party and the government. In the meantime, they fanned the flames throughout the country. Second, during the turmoil, they made use of the momentum of the student unrest to wantonly fabricate political rumors with an aim of stirring up trouble throughout the country. They intended to fish in troubled waters to shake the power foundation of the party and government. Third, during the period of rebellion, they committed the fascist outrage of "beating, smashing, burning, killing, and smashing" to try to topple the party and government through violence. Fourth, during the period when the rebellion ended in failure, those evildoers fled. The main leaders and key members of the rebellion ran away in all directions at home and abroad. They tried to preserve their strength to stage a comeback.

2. Probing into the antiriot measures of putting prevention first:

Through making the above-mentioned analysis of the characteristics and reasons of the rebellion, I believe that

our antiriot measures must be based on putting prevention first. Only thus can we ensure the stability and consolidation of our party and government, the stability and unity of our people, and the prosperity and development of our society. The antiriot measures of putting prevention first include, in principle, the following six points: 1) We must conscientiously strengthen ideological and political work, and provide education in patriotism, socialism, independence, and initiative, hard struggle, and striving to become "new persons of four halves." We must educate party and government organizations at all levels, and people throughout the country, so that they will conscientiously uphold the four cardinal principles, the foundation of founding our country, eradicate spiritual pollution, and completely wipe out the spiritual soil on which the anti-party and anti-government rebellion grows.

2) We must hold fast to the new trend of class struggle, bourgeois liberalization which brings calamity to the country and the people, and resolutely fight against the words and deeds of bourgeois liberalization under the beautiful cloaks of "reform," "democracy," "patriotism," and "human rights."

3) We must vigorously strengthen our party building, perfect our party organizations, consolidate the party leadership, improve our party work style, and severely punish those who are guilty of corruption and government profiteering to restore the prestige of the party. While promoting democracy and legal system inside the party, we must correctly handle relations between laws, and individuals, power, money, influence, and sentiments. We must restore and develop the lofty image of our party, government, and Army, which was defamed by those who preach bourgeois liberalization, and remove blasting fuse which might cause a counterrevolutionary rebellion.

4) We must persist in reform and opening up, a way for making our country strong and prosperous, and continue to do well the work of improving the economic environment and rectifying the economic order. We must vigorously develop our basic industry, lower consumption, increase market supply, stabilize commodity prices, and curb production decline to fully show the superiority of reform and opening up of greatly benefiting the masses with an aim of winning the support of the people.

5) To attain our strategic aim of ensuring the permanent stability of our party and government, we must truly strengthen the building of our Army and police force. It is necessary for us to take some means to increase their revolutionary and modernization level.

6) The relevant departments of the party and government must fully make use of all legal ways and means to learn how a counterrevolutionary rebellion, or turmoil is prepared, organized, and planned. We must take the initiative to take law as our weapons to resolutely deal blows at them.

3. Studying the antiriot means to be taken by the party, government, Army, police, and the people:

Once rebellion breaks out, the key to quelling it rapidly and stabilizing our state power lies in the effective means taken by our party and government. Judging from the successful experiences in quelling the "June 3d" counterrevolutionary rebellion, joint measures taken by the party, government, Army, police, and the people were an effective means for stopping and suppressing various kinds of counterrevolutionary rebellion. These joint measures mainly include the following six aspects:

1) In the course of quelling a rebellion, the party Central Committee, State Council, and Military Commission must promptly establish special groups to organize, lead, and coordinate the struggle of stopping and quelling the counterrevolutionary rebellion. The main leaders of the party, government, and Army must explicitly demonstrate their attitude toward the rebellion through mass media and propaganda instrument. They must also show their deterrent image of unity, staunchness, and self-confidence. This is the key to swiftly and smoothly quelling the rebellion.

2) When a counterrevolutionary rebellion occurs, in accordance with the stipulations contained in our Constitution, the state must carefully organize the People's Liberation Army, public security forces, and the armed police forces to enforce martial law order to maintain the safety and stability of the party, government and military organs, and other important enterprises and institutions in the fields of transportation, postal and telecommunications, radio broadcasting and television stations, water and electricity supply, gas, finance, and so on. They must ensure the normal operations of the state machines.

3) Measures must be taken to strictly control the propaganda machines and mass media of the party and state. We must expose the reactionary essence of the organizers and plotters of the rebellion with good reasons and grounds to tear off the masks of the rioters. We must make a distinction between right and wrong, propagate the party policy, and correctly guide the masses, so that they will not listen to, spread, believe, or fabricate rumors, or act blindly.

4) Grass-roots organizations of the party and state, and governments, enterprises and institutions at all levels must form their own antiriot organizations in order to protect factories, mines, roads, shops, and hospitals in their own areas. All-people antiriot activities must be carried out.

5) After the quelling of the counterrevolutionary rebellion, the political and judicial organs of the state must attend to their duties to suppress the principal offenders who were guilty of organizing and engineering the rebellion, and those ruffians who participated in beating, smashing, looting, burning, and killing. The roots of future trouble must be dug out.



6) After the quelling of the counterrevolutionary rebellion, it is a painstaking and strenuous work to restore our political, economic, and diplomatic work. The party and government must make prompt arrangements to cure the after effects of the rebellion, and do well the work of public concern to stabilize people's minds and the situation of the whole country.

### **Initial Stage of Socialist Class Struggle Viewed**

*HK1210123089 Beijing RENMIN GONGAN BAO  
in Chinese 22 Sep 89 p 3*

[Article by Han Zhao (7281 2507) of the Chinese People's Security University: "My Views on the Characteristics of Class Struggle in the Initial Stage of Socialism"]

[Text] Following the quelling of the counterrevolutionary rebellion, Comrade Deng Xiaoping pointed out in his speech delivered to officers at and above army level of the capital martial law command: "It is worth focusing on the outbreak of the rebellion. It prompts us to cool-headedly consider the past and the future." True, it is worth focusing on the question of class struggle. We should draw experiences and a lesson from the incident and realize the protracted and complicated nature of class struggle in the initial stage of socialism.

#### **1. The struggle against international imperialism is protracted and complicated.**

As early as the 1950's, U.S. Secretary of State Dulles regarded "peaceful evolution" as the essential strategy of the West against socialist countries. He placed hopes on the third and fourth generations of socialist countries in a vain attempt to "disintegrate communism from within." In the 1960's, Western politicians including former U.S. President Kennedy, continued to back the "promotion of peaceful evolution behind the iron curtain" and proposed increasing Western influence by means of economic, technological, and cultural exchanges, attaining political results by means of economic strength, and breeding "seeds of freedom" step by step in socialist countries. Since the 1970's, in the past decade in particular, China and other socialist countries have introduced economic and political reforms and implemented the open policy. Some imperialists from the West regarded this as a golden opportunity to carry out their "peaceful evolution" plan in China and other socialist countries. They proposed promoting economic liberalization and political diversification in socialist countries in an attempt to make China and other socialist countries forsake the socialist system. They also openly violated the standards of international law, interfered in China's internal affairs, ganged up and backed the Fang Lizhi pro-U.S. forces, and supported the anti-China and anti-communist activities of the "China Spring," "China Democracy Federation," "China Democratic Party," and other reactionary organizations in a bid to establish "an organ of power competing with the Communist Party" in China.

The conspiracy of the Western imperialists to push "peaceful evolution" in China has been thoroughly exposed in the current turmoil and rebellion. Following the quelling of the counterrevolutionary rebellion, they continued to attack and abuse the Chinese Government and Chinese leaders, unilaterally terminated their normal contacts with China, and imposed the so-called "sanctions" against China, further exerting pressure on us. The struggle to check the turmoil and quell the rebellion is in essence the struggle of interference and anti-interference, infiltration and anti-infiltration, and subversion and anti-subversion between the international reactionary forces and China. It is a trial of strength between the capitalist system and the socialist system. So long as imperialism still exists, such worldwide class struggle will inevitably exist for a long time to come. The struggle will be complicated and sharp.

#### **2. The struggle against the reactionary forces in Taiwan and Hong Kong is protracted and complicated.**

Taiwan, Hong Kong, and Macao are the sacred territory and inalienable part of the PRC. The majority of the people in Taiwan, Hong Kong, and Macao and Chinese nationals residing abroad love the motherland and support national reunification. However, there are also a handful of people, particularly a very tiny handful of diehards in the Taiwan KMT [Kuomintang] ruling clique, who remain hostile to the Communist Party and the socialist system, and who have carried out reactionary activities of splitting the motherland. They dream of staging a comeback. They will never resign themselves to defeat. With the changes in the international situation and the increasing reputation of the mainland in the world, the strategy of the Taiwan reactionary forces has changed somewhat. They focused their attention on people on the mainland who are against the four cardinal principles and who stick to bourgeois liberalization in a bid to disintegrate CPC leadership and the socialist system from within, encourage the activities of one China one Taiwan, and attain the target of splitting the motherland for a long time.

Since the beginning of this year, the reactionary forces in Taiwan and Hong Kong have showed extraordinary concern for the mainland's political developments and added fuel to the flames of bourgeois liberalization. Following the death of Comrade Hu Yaobang, the advocates of bourgeois liberalization took the opportunity to stir up student unrest and turmoil. Those hostile to China were very sensitive to this. Wang Bingzhang and Tang Guangzhong, two ringleaders of the "China Democracy Union," attempted to return to Beijing to meddle in the turmoil. Some people from the United States, Britain, and Hong Kong also offered economic support and large amount of materials and cash to the plotters and organizers of the turmoil.

Following the quelling of the counterrevolutionary rebellion, the reactionary forces in Hong Kong and Taiwan still did not give up. They supported and shielded the frenzied, subversive activities of the fugitives against the Chinese Government. According to a 30 July report

carried in Hong Kong's DUNG FANG JIH PAO [Oriental Daily], an organization called "the Hong Kong Federation for Supporting the Patriotic and Democratic Movement" allocated HK\$1.2 million in funds to Yan Jiaqi, Wuer Kaixi, and others. Taiwan's LIEN HO PAO dated 28 July also disclosed that Wu Ying-yi, president of the Chicago Taiwan Association, contributed large amount in funds to the fugitives for holding the "First Congress of Chinese Students and Scholars in the United States" in Chicago. Cheng Hsin-hsiong, director of the "Overseas Work Committee of the Chinese KMT," met with Wuer Kaixi in Chicago. All this fully shows that our struggle against the reactionary forces in Hong Kong and Taiwan will be protracted and complicated.

### **3. The struggle against bourgeois liberalization is protracted and complicated.**

The core of bourgeois liberalization, namely, opposition to the four cardinal principles, negation of the socialist system, and maintenance of the capitalist system, is negation of party leadership. This reactionary trend is of long-standing. Because of the weakening of party leadership, this trend has been manifested distinctly in recent years.

The reactionary stand of the tiny handful of advocates of bourgeois liberalization has been stubborn. Over the past year, they further intensified their efforts to carry out anti-party and anti-socialist activities. They sponsored the so-called "democracy salon" and "new enlightenment salon," held "discussions" and "symposiums," and even gave a press conference to foreign reporters, waged a signature drive, issued declarations, wrote open letters, and made use of all kinds of media and places, to spread reactionary speeches and stir up a turmoil on the occasion of the 70th anniversary of the May 4th Movement, the 200th anniversary of the French Revolution, and the 40th anniversary of the founding of the PRC.

The leaders of bourgeois liberalization are the plotters, organizers, and commanders of the current turmoil and rebellion. Some of them masterminded schemes from behind the scenes and manipulated the illegal organizations including the "College Students Autonomous Federation" and "Workers' Autonomous Federation" to carry out their evil plot. Some commanded from the front stage; personally took part in the demonstrations, sit-in, and hunger strike; formed illegal organizations including the "Federation of Capital Intellectual Circles"; and performed a series of farces and carried out criminal activities in collaboration with the "College Students Autonomous Federation" and "Workers' Federation." When the People's Liberation Army [PLA] received orders to quell the counterrevolutionary rebellion, some of them put up a desperate struggle, some concealed themselves, some hid in foreign embassies, while others fled to Western countries to continue to attack our party and government and oppose the Chinese people. For this reason, our struggle against bourgeois liberalization is protracted. It is far from over.

Our struggle against bourgeois liberalization is also complicated. The ringleaders of bourgeois liberalization deceived people by proclaiming themselves "political elites," "academic elites," and "cultural elites." Only by exposing them politically, handling them legally, and refuting them theoretically, can we isolate them. We should take particular note of implementing the party's intellectual policy, strictly distinguishing between the ringleaders and the deceived students and masses, and never confuse the two types of contradictions which are different in nature.

### **4. The struggle against serious economic crime and other criminal offenses is protracted and complicated.**

Criminal offense is a social phenomenon which has come into being together with private ownership and class confrontation. So long as private ownership and limited class struggle exist, criminal offense will be unavoidable. Although we have never ceased our struggle against economic crime and other criminal offenses over the past 40 years, criminal activities of every description exist in a large quantity. Some of them are offenders who refuse to mend their ways despite repeated punishment while others are new offenders.

Both the counterrevolutionary crime and criminal offense are manifestation of the contradiction between the enemy and ourselves. Our struggle with them is a class struggle. Criminal activities run wild whenever we weaken the people's democratic dictatorship, relax our efforts on the building of legal system, and neglect ideological and political work, and particularly when there is a sign of disturbance or trouble at home and abroad. In the current turmoil and counterrevolutionary rebellion, many ruffians, hooligans, and the prisoners released after serving sentence who failed to mend their ways came out into the open to carry out counterrevolutionary criminal activities of beating, smashing, looting, burning, and murder. They played a vanguard role in the counterrevolutionary activities of attacking the PLA soldiers, burning and smashing military and police vehicles, seizing firearms and ammunition, and storming the party and government organs.

As many offenders have been attacked in the quelling of the counterrevolutionary rebellion, they may temporarily restrain themselves. However, new offenders will continue to emerge. Hence, the struggle in this regard will be protracted.

The struggle against economic crime and criminal offense is also complicated. All kinds of offenders usually make use of the defects in our economic and political structures and even flaunt the revolutionary banner to exploit an advantage. Some of them have sneaked into the party, government organs, enterprise, or institutions. They assume important position and abuse their powers to do evil. Only when the whole party and nation have heightened their vigilance and the judicial organs and workers have strengthened political and professional building can we effectively deal with these offenders.



### 5. The struggle against corruption and the exploiting class ideology is protracted and complicated.

Corrupt practices constitute a universal phenomenon in class society. They are in essence a product of parasitic life of the exploiting class. However, corruption in a socialist society constitutes the pernicious influence of the political, ideological, and life styles of the exploiting class on our ranks.

Similarly, our struggle against corruption and the exploiting class ideology is also protracted. The exploiting class ideology of the old society cannot be eliminated overnight. As Lenin said, when the old society dies out, the corpse cannot be put into the coffin and buried. It will continue to rot and poison us.

Corruption is a tumor on the body of the party and government. It damages reputation of the party and government, vilifies the party and government, and encroaches upon the interests of the party, state, and the people, arousing strong discontent from among the masses. In the turmoil and counterrevolutionary rebellion, the plotters, organizers, and commanders made use of the people's discontent against corruption to incite large numbers of students and the masses. Corruption which ran wild within the party and in society is also closely related to the trend of bourgeois liberalization which spread unchecked. As the advocates of bourgeois liberalization advertised private ownership and egoism of "putting money above everything else" and advocated the theory that "corruption is unavoidable," some party members and cadres wavered in their confidence in Marxism and socialism. Their sense of patriotism and collectivism got blunted, their heads were swollen with bourgeois egoism, and they were involved in many corrupt practices.

Our struggle against corruption and the exploiting class ideology is also complicated. Those who have violated the law must be sternly punished according to law. Meanwhile, we should draw a clear line of demarcation between right and wrong and never try to exaggerate the problems. Regarding the problems of ideological understanding within the party and among the people, they should be settled in light of the principle of criticism and self-criticism and democratic centralism.

The struggles against international imperialism, opposition forces in Taiwan and Hong Kong, bourgeois liberalization, economic crime, and other criminal offenses in the initial stage of socialism are not isolated. They are closely related to each other because all reactionary and hostile forces always collaborate with each other in launching offensives against our party and socialism. The current turmoil and counterrevolutionary rebellion are like a chorus sung by all kinds of evil international forces against China, the Communist Party, and socialism. Comrade Deng Xiaoping said: "This storm was bound to come sooner or later. This is determined by the major international climate and China's own minor climate. It was bound to happen, and it could not

be changed by the wishes of the people. It was just a matter of time and scale." This storm is bound to come again in the future. The struggle will be acute at one time and relaxed at another. Our struggle with them will also be high at one time and low at another, like the waves, until the complete defeat of imperialism and all reactionaries and the overall victory of socialism. This constitutes an essential characteristic of class struggle in the initial stage of socialism.

### Article Discusses Development of Marxism

OW1010124489 Beijing GUANGMING RIBAO  
in Chinese 2 Oct 89 p 3

[Article by Zhang Qihua (1728 0796 5478): "On the Question of How To Develop Marxism"]

[Text] It has been the practice for a certain period of time that any argument, no matter how absurd, brooks no refutation or even discussion and reconsideration as long as it is branded as "developing Marxism." Otherwise, you would be blamed as doing something against the development of Marxism or labeled as being ossified, conservative, or ultra-"left." This is also one of the ploys applied by bourgeois-liberalization advocates in recent years. As quite a few comrades have been misled by this "development" viewpoint, it is absolutely necessary to make clear the questions of what is really the development of Marxism and how to develop Marxism.

### I

There have always been two different stances under the slogan of "developing Marxism." As early as 1900, Lenin made a detailed analysis of such a state of affairs then existing among the Russian Marxists: "One school of thought wants to continue acting as thoroughgoing Marxists and develop the basic Marxist principle and further study the theories of Marxist dialectical materialism and political economy on the basis of changes in the situation and the local characteristics of various countries. The other school of thought wants to overthrow some relatively important aspects of the Marxist theory." In essence, these two opinions differ in that they "want to go in different directions to create something new about Marxism and develop Marxism" (The Collected Works of Lenin, Vol 3, p 579). Close to 90 years have elapsed, but these two entirely different stances still exist. In these years, some people in our country have alleged that Marxism is "out of date" and cannot solve the new problems in our cause of construction today. Accordingly, they want to "break through" its basic principle and work out a "new theory" and a "new program." They even want to use the various "new concepts" of the Western bourgeoisie to "remold" Marxism. Isn't this a repeat of the ploy of "overthrowing" Marxism in the guise of "developing" it as once criticized by Lenin?

The allegation that Marxism cannot solve the problems in present-day construction apparently means that

Marxism cannot provide us with ready answers to these problems. Such an argument is not presented from a scientific viewpoint. Marxism is a science, not a fortune teller. How could it foresee some 100 years earlier what happens today and thus provide concrete "answers"? Take China's democratic revolution as an example. There were the theory that "the Chinese revolution must be conducted in two steps," the idea of "encircling the cities from the rural areas," the proposition of forming a national united front against the Japanese aggression and establishing anti-Japan base areas, the various strategies and policies on the war against Japan, as well as the basic theory of the new democratic revolution. Was any of these a ready answer obtained from Marxism? If the leaders of the Chinese revolution at that time had insisted that every strategy and every step must be a ready answer obtained from Marxism, then would it have been possible for the revolution to make a single step forward?

By saying that Marxism has never provided a ready answer to the questions on the Chinese revolution, we do not mean to say that Marxism is of no use to the Chinese revolution. The history of the Chinese revolution has fully proved that it would have been impossible for the proletarian revolution to triumph if it had not been guided by Marxism. Marxism is the world outlook and methodology that the proletariat must uphold. It is a powerful tool with which the proletariat knows and transforms the world. Although it cannot provide ready answers, it can guide us to find correct answers to our problems. It incorporates the outstanding achievements of human civilization and is founded on a firm scientific basis. For this reason, Marxism, as a world outlook of the proletariat, is an integrated scientific system. It is a theoretical basis guiding our thinking. This is the profound and inherent basic reason why we must uphold Marxism.

To say that Marxism cannot solve construction problems is to attempt to apply Marxism as a dogma. When a person who holds this viewpoint fails to find such a dogma, he proclaims that Marxism is useless. This is a special manifestation of dogmatism in the new situation. So long as we do not regard Marxism as a dogma but correctly treat it as a proletarian world outlook and methodology and apply it in constantly studying and solving new problems that have emerged in the course of national construction, we will be able to enrich and develop Marxism while upholding it in this way. There is a dialectical relationship between upholding and development. Upholding is the prerequisite and foundation of development, and development is the process and result of upholding. Upholding Marxism is bound to stimulate its development, and to develop Marxism, it is necessary to uphold it. We will end up deviating from Marxism if we set it aside and try to develop something new. Here is a famous passage by Lenin: "We will come closer and closer to the objective truth if we advance along the road guided by Marxist theories (but we will never exhaust it); but if we advance along any other roads, we will get nothing except confusion and falsehood" (The Collected

Works of Lenin, Vol 2, p 143). This is a truth brought to light to us by revolutionary practice.

## II

Marxism is a manifestation of the theory of proletarian revolutionary movement and clearly embodies the class nature and practice. It can develop only in the social practice of millions upon millions of people. It came to life through proletarian revolutionary practice and has continued to develop with the development of the proletarian revolutionary practice. When Marx and Engels created their theory, they enthusiastically took part in workers' movements and continually summerized the practical experience of the communist movement at that time while struggling against bourgeois and petty bourgeois socialist ideas, thereby gradually improving the theory. After their death, Marxism was further developed after it was integrated with the workers' movements in various countries. Leninism took shape after Lenin applied Marxism in the era of imperialism and proletarian revolution and integrated it with the reality of the Russian Revolution. Mao Zedong Thought took shape after the Chinese Communists represented by Comrade Mao Zedong integrated Marxism with the reality of the Chinese Revolution. The development of Marxism tells us that its development cannot be separated from revolutionary practice. Marxism will die once it is separated from the practice of revolution and construction.

Nevertheless, some comrades, knowing nothing about the practice of socialist modernization, have tried hard in their studies to create a "new system," or have attempted to develop Marxism by copying from foreign books some new theories and new terms which they themselves do not understand well. These comrades do not know that developing Marxism involves an arduous process; that is, applying the basic theories and methods of Marxism in scientifically analyzing the developing new activities in revolutionary practice and then advancing Marxism by theoretically summerizing these activities. Marxism must be developed in practice. In developing Marxism, the most important thing to do is to integrate theory with practice, to keep in touch with the times, and to advance Marxism in the course of continually solving new problems.

Today, China's socialist modernization, reforms, and opening to the outside world urgently need theoretical guidance. This requires that under the guidance of Marxism, we study new problems in reforms and construction, theoretically expound the essential characteristics of socialism and the law governing its development, and create on the basis of Marxism a new theory that can guide the advance of the times. Since the 3d Plenary Session of the 11th Central Committee of the Communist Party of China, our party has led the people in exploring ways to integrate Marxism with China's reality. Marked achievements have been made in this respect. The ideological line of upholding and developing truth in the new historical conditions, the fundamental task of socialism is developing productive forces, upholding the four cardinal principles as the foundation of the nation, and reforms and

opening to the outside world are the means of making the country strong. The socialist economy is a planned commodity economy based on socialist public ownership, integrating a planned economy with market regulation. The two fundamental principles of reform are common prosperity with socialist public ownership economy occupying the dominant position. Peace and development are the two major themes of the contemporary world. The idea of one country with two systems, and so on and so forth, are theories which Comrade Deng Xiaoping has advanced in the new period of socialist construction by integrating the universal truth of Marxism with the concrete conditions of our country. In this way he has made important theoretical contributions to the development of Marxism.

### III

To properly apply and develop Marxism in the course of practice, it is necessary, first of all, to grasp it accurately. In the world today, there are many different trends of thought described as Marxism. To improve discernment, it is absolutely necessary for our comrades, young comrades in particular, to earnestly study the basic principle of Marxism. An individual with a real intention to apply Marxism to the exploration and solution of practical social questions and to contribute to the development of Marxism should, in the first place, carry out a systemic study of Marxist books so as to distinguish what is the basic principle of Marxism and what are specific theses or conclusions applicable only to certain limited areas. In this way they can avoid understanding and applying Marxism dogmatically or in an oversimplified manner, and they will neither doubt nor waver about Marxism when they see that certain conclusions are not suited to the actual situation at present.

In the past, there was no dearth of such ridiculous instances in which some people announced that "Marxism was wrong" because they failed to earnestly study Marxism or, in other words, did not have a complete and systematic understanding of Marxism. For example, there was a debate about religion within the Russian Social-Democratic Party before the October Revolution. Marx once said that religion was an anesthesia to the people. At the same time, however, Engels was opposed to declaring war against religion, deeming it a foolish act to make a big fanfare about such a war. He pointed out that declaring such a war was the best way to stir up people's interest in religion and thus hinder its genuine extinction. Seeing this, some people thought that Marxism was self-contradictory. In fact, as Lenin noted, this precisely proved that they "did not understand Marx' dialects at all" (The Collected Works of Lenin, Vol 15, p 380). This matter tells us that only by studying Marxism in a systematic and integrated way and having a real understanding of it, is it possible to uphold Marxism and develop it in the course of practice.

Now, the people of all nationalities in our country led by the party are striving to build socialism with Chinese characteristics. There is still a long road ahead of us. Our understanding of the law of the development of socialist

construction is still far from reaching the realm of freedom [yuan wei da dao zi you wang guo 6678 2607 6671 0451 5261 3945 3769 0948]. Also, our study of the Marxist theory is far from attaining the breadth, depth, and height it should have attained. An integrated theory of building socialism with Chinese characteristics is still in the formation process. The task is heavy and the road is long. Comrades doing theoretical work should strive hard.

### Article Stresses Need for Political Education

OW1210023489 Beijing BAN YUE TAN in Chinese  
No 17, 10 Sep 89 p 14

[Article by Xin Ji (6580 2817): "Mend the Fold After a Sheep Is Lost: Ten Questions That Need Rethinking in the Field of Education"]

[Text]

#### 1. The Biggest Error in the Field of Education Is To Attach Great Importance to Intellectual Development While Ignoring Moral Education, and To Pay Less Attention to Ideological and Political Work in School.

This is a view shared by most people in the educational field in the course of rethinking the past. In recent years, the practice of "giving intellectual development top priority" has become more prevalent than ever before in various colleges and middle schools. Colleges and middle schools have onesidedly emphasized "intellectual development" while ignoring the need to help students to develop themselves morally, intellectually, and physically in an overall manner. As a matter of fact, moral education has become something non-essential. Under the slogan of "renovating" ideological and political work, the importance of ideological and political work in institutions of higher learning has been unprecedentedly downgraded. In selecting, training, and hiring people, attention is often paid to one's intellectual abilities instead of one's moral standards. Not enough people give top priority to "adhering to correct political orientation." Emphasis is placed on a student's intellectual development and school grades, while his ideological and moral standards are often ignored. The criteria in bringing up people have changed. As a result, a large number of students have in recent years showed little love for the Communist Party and socialism. As seen from the recent student unrest and turmoil in which many college graduates who are candidates for masters and doctorate degrees participated, the consequences of neglecting ideological and political work in school serve us a bitter lesson. It is for this reason that those in the field of education must oppose giving intellectual education top priority. They must adhere to the standard of bringing up students who have both ability and political integrity, and train more new people who have lofty ideals, moral integrity, education, and a sense of discipline.

#### 2. In Reforming Education, We Must Give Top Priority To Adhering to the Four Cardinal Principle.

In recent years, some of the localities have suggested: "The principal runs the school; the party committee runs the



party; and the professors manage student affairs." To a certain extent, this kind of practice has weakened the party's leadership over school work and created a chaotic situation in which the "principal pays little attention to ideological and political work, while the secretary is afraid of over-emphasizing such work." Practice has indicated that institutions of higher learning must adhere to the socialist orientation in running schools and strengthen the party's leadership in these institutions. The role of party organizations as a political core must be brought into full play in making major policy decisions, evaluating and assigning cadres to various important posts, and doing ideological and political work in school.

### **3. Class Nature in the Field of Education Cannot Be Denied.**

Many comrades believe: In recent years, people have been discussing a great deal concerning the function, role, and status of education. However, they have not understood the fact that as part of the superstructure, education also has a class nature. Every social system seeks to educate and influence students with its own ideology. In fact, every class is using education to train its own successors. The bourgeoisie pins its hope for "peaceful evolution" on "China's third or fourth generation." The struggle between the bourgeoisie and us to win over successors still exists. If those who carry out socialist education ignore the class nature in the field of education and lose their bearings in promoting education, those students who graduate may not become "successors" to the cause of socialism, but become the "grave diggers" of socialism. People should clearly understand this point.

### **4. The Department of Liberal Arts Must Undergo Immediate Reform**

The responsible comrades of some institutions of higher learning believe: There remain a great deal of problems in the departments of liberal arts in various institutions of higher learning. Leaders of those who promote bourgeois liberalization often make use of forums sponsored by the departments of liberal arts in various institutions of higher learning to peddle theories and views for bourgeois liberalization and try to expand their influence. For example, a trend to distort party history and vilify the party under the pretext of summing up lessons of the past has prevailed in studying and teaching the history of the Communist Party of China. This has bred doubts and despair about the party in the minds of the people. This situation also exists in other departments of social sciences. Therefore, pedagogical reform in the departments of liberal arts of various institutions of higher learning must be regarded as something important in these schools' daily agenda. Reform must be carried out with Marxism as the guidance. Under no circumstances should any one be permitted to spread at will any viewpoint which speaks for bourgeois liberalization.

### **5. We Must Guard Against Using Western Theories To Mislead Students**

Theoreticians in some institutions of higher learning believe: In recent years, general education on Marxist-Leninist theory has weakened. Marxist-Leninist theory has been replaced by all sorts of Western bourgeois philosophical theories. The theory that "Marxism has become ossified" and that "Marxism is something outdated" has prevailed in an appalling manner. As a result, some students have wildly denounced Marxist theory, although they know little about it, while others have totally accepted Western views opposed to Marxist theory. Still others regard Marxism as a school among the "hundred schools of thought," and belittle and deny the scientific nature of Marxism and its role as a guiding ideology. They even talk about replacing Marxism with contemporary Western theories and using Western theories to give guidance to developing socialist construction. All this has confused the people. Therefore, in order to thoroughly eliminate the influence of bourgeois liberalization in the course of broadening education on Marxism, and take a firm grip of the strongholds of disseminating Marxist theory in various institutions of higher learning, we must boldly use Marxism as our weapon to sharply criticize the trend of thought of bourgeois liberalization, and carry forward and develop Marxism in the course of criticizing views of bourgeois liberalization.

### **6. We Must Help College Students Choose Their Path of Growth**

China's higher education has rapidly developed during the past decade. Hundreds of thousands of college students take jobs in society each year, playing a significant role in the development of socialist construction. However, a great majority of students have followed a straight line from the doors of middle school to the gates of college and then to the doors of office (unit). They lack social practice. Many college students belittle practice and look down on workers and peasants. They have grandiose aims but puny abilities as well as a weak sense of responsibility to society. They are politically immature. For their job assignments after graduation, they usually have three major targets—large cities, large organizations, and large units. They are reluctant to work in border regions where working and living conditions are not so good. Many units with job vacancies believe that college students are far more interested in their own material benefits and future than in benefiting the enterprise or the state. In order to guide college students to grow healthily and rapidly, we must work out relevant policies and measures to ensure that college students will receive training at basic-level units for a certain period of time. Institutions of higher learning must select more postgraduate students with practical experience as candidates for masters and doctorate degrees.

#### **7. Efforts Must Be Made To Solve the Issue of "Linking" Ideological and Political Education in Colleges and in Middle Schools**

A noteworthy sign in the several rounds of student unrest in the past was: The "three good" students [good in ideology, study, and health] and "outstanding students" in middle schools often became the "mainstay." The reason for this is the lack of connection between college political education and middle school political education. There seems to be a rupture between the two. Middle school students must pass courses in political affairs in order to gain college admission. In addition, students usually study much harder in middle schools. Under pressure from parents and society, students generally dare not relax efforts in studying political affairs. However, after they enter college, they relax their efforts in studying political affairs due to the change of study environment. This is particularly true for students at the freshman and sophomore levels. The recent student unrest showed that those who took the lead were often freshmen and sophomore students in various colleges. How to overcome this discontinuity in political education and turn political education in middle schools and colleges into a "chain" operation is a new task for those engaged in ideological and political work in schools.

#### **8. We Must Not Abandon the "Four Major Educations"**

Many educators publicly admit that school education on ethics, patriotism, labor, and plain living and hard work has weakened to varying degrees. As a result, students did not pay much attention to social ethics, disdain labor, and indulged in extravagance and waste, and "premature consumption" became quite widespread. Some students were cynical and self-centered, blindly pursued "self-value," worshipped foreign things, fawned on foreign powers, and embraced only Western values regardless of national conditions. Lacking a critical approach toward Western philosophy, social ethics, and values, they could not tell the good from the bad and got confused as a result. After the emphasis of party work shifted to economic construction, schools began to attach greater importance to education in science and general knowledge. Moral education was neglected and more often than not students were recommended for admission into the Chinese Youth League, the party, or entering a higher school on the basis of their grades, not their ideology. This was a major mistake. People in educational circles have appealed that it is not too late to mend the fold even after some of the sheep have been lost. We must give courses on ethics from kindergarten to college and earnestly overcome the view that moral education is subordinate to intellectual education, that moral education should be replaced by legal education, and that intellectual development (grades) should replace ethics education and truly make moral education a key criterion in evaluating students.

#### **9. To Place Strict Demands on Young Students Is To Genuinely Care for Them**

Some responsible officials of institutes of higher learning have admitted that in the "major climate" of neglecting ideological and political work in the past few years, schools loosened up their demands on young students and that students received more praise than criticism. This is harmful. Some of them became quite arrogant; they cracked themselves up to be "favored ones" who would not hear any criticism and finally fell into the quagmire of bourgeois liberalization. Comrade He Dongchang said: During the turmoil and rebellion we witnessed, to our distress, individual students who went increasingly astray with regard to bourgeois liberalization and finally degenerated into becoming counterrevolutionaries. People have drawn a conclusion from this painful lesson: to place strict demands on young students is to genuinely care for them; indulgence and undeserved praise will only harm them.

#### **10. Educators Should Be Educated First**

On reflection, many educators unanimously hold that the key to whether education will be able to adhere to the socialist orientation lies with the ranks of teachers. Teachers must have a firm political stand before we make the same demand on students. Young and middle-aged teachers account for a large percentage of the teachers of institutions of higher learning. It is an urgent task to raise the ideological quality of young teachers, let them mature politically as quickly as possible, and help them acquire a firm political stand. Some people believe that, in view of the lesson that a small number of young teachers got involved in the campus unrest, professional deficiencies on the part of some teachers are not a terrible thing; we can create the necessary conditions to remedy them. The most terrible thing is "deficiencies" in their ideological and political quality. At present, we must make earnest efforts to consolidate the ranks of teachers and sternly deal with those teachers who stick to bourgeois liberalization and refuse to mend their ways and firmly remove them from their teaching posts.

### **Science & Technology**

#### **Lop Nur Nuclear Testing Facility Profiled**

HK1710005789 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1216 GMT 11 Oct 89

[Special feature by reporter Zhu Daqiang (2612 1129 1730): "Exploring the Secret of the 'Atomic City'"]

[Text] Urumqi, 11 Oct (ZHONGGUO XINWEN SHE)—As the atom bomb undertaking of China is entering its "adulthood," this reporter was lucky enough to cover news at the Lop Nur nuclear testing base, which is situated in western China, and to look back on the brilliant development course of China's nuclear weapons.

At Malan, a nuclear testing ground, a builder of around 60 years old briefed us on how the Chinese authorities came to the policy decision of developing nuclear weapons.

Just as China started its atomic energy undertaking, it encountered a technological blockade by foreign countries. In June 1959 a big country stopped technical aid to China. In order to arouse the nationalistic spirit, China's first atom bomb was named the "June 59" mission.

On 15 August 1958, a small special train from Henan's Shangqiu, carrying a prospecting team of 120 military personnel and various equipment, pulled up at Xiadong station near Dunhuang and starting the prospecting work in the nuclear testing field. At that time, those carrying out the mission were told "not to disclose it to their parents, nor pass it down to their children."

The nuclear testing field was originally fixed at a place near Dunhuang. However, after repeated prospecting, it was believed that it would not be good for the protection of the cultural and art treasures in Dunhuang. Besides, the geographic location and other conditions there were not suited for fairly large nuclear tests.

Therefore, the prospecting team went further west. The natural field of Lop Nur revealed itself to them. This vast land has only very few people and its climate is mild. With a total area of over 100,000 square km, it is larger than Zhejiang Province. China's first nuclear commander, Zhang Yunyu, said in retrospect: "All over the desert we have looked for the precious land. This is the best testing field."

In June 1959 the Ministry of National Defense approved Lop Nur as a nuclear testing base for China. Five years later—or rather, on 16 October 1964—a dazzling light flashed over Lop Nur, followed by an earth-shaking rumbling and a gigantic fireball spiraling up like a mushroom cloud....

Since then, China has entered the atomic age.

Today, in the center of the site where the first atom bomb exploded, we can still see the remains of colossal iron towers lying twisted on the ground like noodles and surrounded by scorched earth.

There stood a stone tablet engraved in a bold hand with the following words: "China's first nuclear test explosion center." That is General Zhang Aiping's handwriting.

A little iron plaque by the stone tablet aroused our curiosity. It reads: "As measured on 6 July 1979, the ground dose rate is 4 milliroentgen per hour." As professional people explained, this means that it is safe to visit here.

At the Lop Nur testing field, there is also a target section in which nuclear weapons have been dropped more than a dozen times. The glass-like ground is vivid before our

eyes. The "permanently polluted areas" where underground nuclear tests have been conducted still make you step back in fear.

Up to the present, China has conducted more than 30 tests of various kinds and equivalents, such as explosions from a tower, in the air, in an underground tunnel, and in a standing well and has attained a level which would require several hundred tests for other countries, thus establishing China as a nuclear power. An atomic city—Malan nuclear testing base, stands in the depths of the Taklimakan Desert. This is the living area of the nuclear test unit.

When the prospectors came to this desolate desert for the first time, there were only several families in the boundless stretch of desert. Malan flowers were blooming on both sides of a brook and thus Commander Zhang Yunyu called the living area of the base "Malan."

30 years have elapsed. The people of Malan have built with their own hands a "city" with an initial scope of development.

When you are strolling on the streets of the "atomic city," you are surrounded by tall white poplar trees and beautiful flowers and plants, which make the city full of life. You will never feel that you are in the Gobi Desert.

An independent "small community of military personnel" has been established here. Streets and apartments are in apple pie order, with the work area and the living area lying side by side. There are banks, post and telecommunications offices, food stores, schools, kindergartens, hospitals, department stores, photo studios, and ballrooms. In addition, the "Loudian television station" has been built here.

In the work area, there are institutes for the study of fluid mechanics, solid mechanics, optics, physics, radiochemistry, and computers. Here, the military personnel of an intellectual sort quietly devote their youth and wisdom to national defense and the frontiers.

Malan, a bright pearl in the desert of southern Xinjiang, has a strong appeal to the youth of different nationalities in the border area. When Malan flowers blossom, it is an exceptionally good time for people in love to have their weddings....

## Military

**Beijing Students Begin Military Academy Studies**  
*OW1210211189 Beijing XINHUA in English*  
1555 GMT 12 Oct 89

[Text] Shijiazhuang, October 12 (XINHUA)—"Military and political training for Beijing University freshmen is an experiment in exploring ways of nurturing qualified college students," said He Dongchang, vice minister of the State Education Commission, here today.



He was speaking at the opening ceremony at Shijiazhuang Army Academy of the year-long military and political training course for freshmen from Beijing University.

In brand new uniforms, 748 freshmen from the country's 27 provinces, cities, and autonomous regions attended the opening ceremony. This is the first time that Chinese college students have undertaken a full year of military and political training.

The vice minister said: "Compared with speciality teaching, moral and laboring education has been weak in recent years."

He added that military and political training were one of the ways to help to improve the ideological standards of students and their understanding of the nation's circumstances.

He said Army academies had a long history of carrying out ideological and political education. Local schools should learn from them.

The newly-appointed president of Beijing University, Wu Shuqing, and the political commissar of the academy, Li Zhongan, also spoke at the ceremony.

In addition to courses in the Chinese and English languages and political education, the students, who have been divided into six squads, will spend one third of their time on military training and studies.

The academy has appointed six officers and 60 teachers to take charge of the students' training and study.

### War Industry Serves Economic Construction

HK1410063089 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0820 GMT 12 Oct 89

[Report by Zhu Daqiang (2612 1129 1730): "China's War Industry Rapidly Turns to Rendering Services to Economic Construction"]

[Text] Beijing 12 Oct (ZHONGGUO XINWEN SHE)—Sound progress has been made in implementing the principle of military-civil combination, which is a great change in the development of China's science, technology, and industry for national defense. The accomplishments in this domain have been remarkable in the course of the four modernizations over the past 10 years, with the newly increased gross output value of products for civil use reaching 11 billion yuan.

Production for military use of China's war industry has been cut back drastically since the implementation of reform and opening up, and production of the industry was in a state of suspension or semi-suspension. Confronting the new problems surfacing in reform, the government proposed the principle of "military-civil combination, peacetime-wartime combination, giving priority to products for military use, and supporting the military with production for civil use" as well as to the

simultaneous development of new-type arms and equipment and production for civil use in a big way to gradually turn more war industrial enterprises into military-civil combinations.

Briefings of departments of science, technology, and industry for national defense show that China's war industry has developed a series of products for civil purpose in line with social needs and has become "new force coming to the fore" in rejuvenating the national economy and the progress of science and technology. The war industry has taken up the tasks for developing national key projects and important equipment, with some of the projects filling the blanks in China's science and technology and up to the world advanced level. To meet the needs of national economic development, it has developed a number of civil aircraft, vessels, cars, railway vehicles, aircraft engines, and oil drilling platforms.

To meet the people's material and spiritual needs, the industry has turned out voluminous high-quality commodities in that are in short supply, including cameras, bicycles, laundry machines, sewing-machines, television sets, refrigerators, and motorcycles, and played a certain role in easing the demand-supply contradiction.

The war industry has also participated in the economic construction of coastal areas with its technological advantages. The war industrial enterprises in Guizhou alone have set up some 100 "showcase" enterprises and several export bases in coastal areas.

Over the past 10 years, the output value of products for civil use by the nuclear, aircraft, arms, and space industrial systems has increased at an average annual rate of 20 percent. The proportion of output value of products for civil use is already up to 60 percent of the gross output value of these systems.

Some 30,000 items of results of military technology have been applied to production for civil use to date; and with their help, there has been a breakthrough in some 1,000 long-standing technical bottlenecks in civil departments.

Although the war industry has played a certain role in China's economic development, personalities here have pointed out that the military-civil combination is by and large still in its primary phase, and the potential of the war industry is far from being tapped. To take the whole situation of military-civil combination into account, to make unified planning, and to create a new situation in this domain, the State Commission for Planning, the State Science and Technology Commission, and the State Commission of Science, Technology, and Industry for National Defense have convened in Beijing the "national work conference on military-civil combination" to determine the developing plan for the future.

## Economic & Agricultural

### Zheng Tuobin Writes on Trade Policy

OW1610172189 Beijing BEIJING REVIEW in English  
No 42, 16-22 Oct 89 pp 9-12

[Article by Zheng Tuobin, minister of foreign economic relations and trade: "China's Foreign Trade Policy"]

[Text] The People's Republic of China has traversed a glorious path over the last 40 years. The Central Committee of the Communist Party of China and the State Council, in the light of the concrete situation at home and abroad at different times and with the benefit of the experience of foreign countries, have developed a series of correct principles to promote China's foreign trade.

Under the guidance of these principles, this trade has gradually expanded from a trickle to the present level and it has developed particularly rapidly in the last decade, playing an increasingly important role in socialist construction. China foreign trade policy has been constantly attuned to the changing international situation, foreign relations and the domestic economy so as to improve and perfect its rich content.

The basic points of the policy are as follows:

#### 1. Upholding the Principle of Equality and Mutual Benefit

As a basic principle in developing foreign trade, this policy has been consistently followed by China. Early in September 1949, the Common Programme of the Chinese People's Political Consultative Conference declared that "the People's Republic of China will restore and develop business and trading relations with foreign countries and their peoples on the basis of equality and mutual benefit." In December 1978, when the Third Plenary Session of the 11th Central Committee of the Communist Party of China set out the fundamental policy of opening to the outside world for our country, it stressed eagerness to develop economic co-operation based on equality and mutual benefit with all countries in the world.

Equality and mutual benefit are mainly embodied in the following aspects:

1) All countries, despite differences in their size and wealth, should be treated equally and respect each other. They should respect each other's national sovereignty, be independent and self-reliant, consult about problems on a basis of equality and enjoy equal rights and equal responsibilities. The attaching of unequal conditions and unreasonable demands cannot be allowed. 2) Imports and exports should be dealt with according to the needs and possibilities of both sides and on a voluntary basis. No country should force another to accept its conditions. 3) Prices for imports and exports should be fairly set. The practice of exchange of unequal value and of taking advantage of a monopoly position to rig the market in

order to seek exorbitant profits is opposed. 4) Stress is laid on observing contracts and keeping promises. The two sides should strictly fulfil the trading agreement and contract signed by them and neither should delay, revise or cancel the contract as it pleases. 5) International practice is followed. In dealing with the conditions and manner of trading, commodity inspection, transport, insurance and arbitration, international practice is followed, with reference to the concrete situation of the two sides.

Over a long period, in accordance with the above-mentioned principle, China has made great achievements through unremitting effort to create an international business and trade environment of fairness and equality. For example, in the 1950s and 1960s, China broke imperialism's "blockade" and "embargo," overcame serious economic difficulties brought about by foreign countries tearing up agreements and contracts, stood up to their pressure and restored and developed trading relations with more and more countries. China also vigorously supports and participates in "South-to-South cooperation" and "South-to-North dialogue." At the same time it struggles along with other developing countries for the establishment of a new international economic order. It has participated in multilateral trade and undertaken corresponding duties in order to build a just international trading environment and is working for the resumption of its membership of the General Agreement on Tariffs and Trade.

At present, in international economic and trading activities, some countries are carrying out an unfair economic and trading policy towards China. For example, some members of the Coordinating Committee for Exports Controls (COCOM) with the United States at their head, still apply a discriminatory policy towards China in trade and the export of high-technology products.

In international trade, the price parity between primary products and processed products is unreasonable. The developing countries are actually fulfilling the role of supplies of raw materials at cheap prices to the developed countries and unequal exchange still exists. The developed countries use such means as quotas and anti-dumping charges to restrict exports from developing countries. Sometimes they even take so-called "economic sanctions" against them. These actions breach the principle of equality and mutual benefit. We must continue to unite with the majority of countries in the world in fighting for a fair and just environment for the development of international trade.

#### Developing Foreign Trade Relations With All Countries and Regions

The open-door policy of our country is directed to all the countries of the world. We hope to develop trade relations with all countries and regions, including both socialist and capitalist countries, developed and developing countries. We are going to give full play to our economic advantages in a wider range, actively participate in international exchanges and strengthen economic



relations with the rest of the world. We have never given up our efforts in this direction although they were restricted by the international environment in different periods. From the 1950s to the mid-1960s, the Western countries led by the United States blockaded and placed an economic embargo on our country. While extending trade relations with friendly countries, such as the Soviet Union, East European countries and the countries in Southeast Asia, we were still developing non-government trade relations with the West. After the mid-1960s, along with the changing international situation and Sino-Soviet relations, comparatively speaking we expanded our trade relations with Western industrial countries and many developing countries while trying to maintain such relations with the Soviet Union and the East European countries. Since the Third Plenary Session of the 11th Central Committee of the CPC, under the guidance of the general principles of open door and reform, we have greatly extended our trade relations with other countries and regions and the structure of our whole foreign trade work has changed greatly. Now, we have established trade relations with 180 countries and regions and have contacts with many world or regional multilateral trade organizations. All this has played a great role in promoting the development of our national economy and increasing the mutual understanding and friendship between us and the peoples of all countries.

### 3. Giving Priority to the Development of Exports

China's economic development requires us to give priority to the development of exports. China is a developing country. Our economy is underdeveloped. We have a large population while the resources per capita of our country are comparatively inadequate. In facing the hard work of achieving the modernization, we must depend on our own strength in economic construction. While insisting on the policy of independence and self-reliance, we also need to extend our foreign trade relations and economic and technological exchanges with other countries, introduce advanced technology and import essential equipment, raw materials and daily necessities. As a result, we must have the necessary capacity to make international payments, with the major part of our foreign exchange earnings coming from exports.

Our practice over the past many years indicates that our capacity to gain foreign exchange earnings through exports will decide the range and level of our foreign trade and technological exchanges, the scale and progress of our internal economic construction. So it is a strategic question which will affect the overall situation of our open-door policy.

In practising the principle of giving priority to the development of exports, the most important task for us is to guarantee that exports increase at a rate which is higher than that of our national economy. In order to guarantee the export of some materials, we have developed a set of principles for dealing with the relations between domestic sales and exports. They are: Goods

which are made of materials in which China is rich and are not needed should be exported as widely as possible; goods which are needed in both external and domestic markets must be saved partly for export; goods which have an important bearing on the national economy and the people's livelihood must be exported strictly according to plan; products which are in short supply in our country must be controlled and their export is limited or forbidden. At the same time, we will make efforts to develop the production of goods for export. In past years, we have established a large number of bases, special factories and workshops to produce goods for export and on the basis of these, we will build a system for producing them. In developing their production, we will positively adjust and improve the structure of our exports, increase the proportion of industrial manufactures, and in particular expand the export of those products which are processed to an advanced stage. We will take full advantage of our huge labour force to develop processing or assembly of imported materials or components for export.

In order to encourage exports, we have also adopted a series of measures. They are: 1) Giving priority to the production of export goods. Within the limits of the state plan, precedence will be given to production, the supply of raw materials, packaging, purchases and transportation related to exports. 2) Preferential loans are granted to some of the export-oriented enterprises and funds are set up to develop export-oriented systems. 3) Raw materials and samples that are imported for export-oriented processing and parts imported for assembly, as well as those raw materials, parts and equipment that are imported to meet the needs of medium-sized and small foreign trade enterprises are all exempted from tariffs as well as industrial and commercial duties. 4) Some export goods can enjoy drawbacks or be exempted from duty. 5) The localities, departments and enterprises are allowed to keep part of the foreign exchange they have earned and given more freedom to spend foreign exchange. 6) The state gives morale-boosting encouragement as well as material rewards to those export-oriented and foreign trade enterprises which have made great contributions to the expansion of exports.

These moves have promoted significantly the development of exports. At the same time, efforts have been made to combine foreign trade with the utilization of foreign funds, contracting to undertake projects abroad and labour co-operation and multilateral economic and technological co-operation with other countries. For example, joint ventures and foreign enterprises are set up to promote export-oriented production; sales by foreign businessmen are utilized to expand exports; enterprises are set up in foreign countries to process and sell products there and to obtain products and technology urgently needed in China; the export of equipment and materials is promoted through undertaking contracts to carry out projects abroad. China endeavours to participate in multilateral trading systems and international agreements in order to obtain a better environment and

conditions to develop trade. The expansion of trade has also promoted economic co-operation in some other aspects. A new situation has thus appeared in which exports and imports are closely combined with foreign economic and technological co-operation and each promotes the other.

#### **4. Rationally Arranging Imports and Effectively Utilizing Foreign Exchange**

To achieve socialist modernization, China needs foreign exchange in various fields. However, its income is limited. The arrangement of imports therefore must be based on the need to develop production and on the availability of foreign exchange. Blind importing and duplication of imports must be avoided so that the best use is made of the country's foreign exchange. The structure of imports must be determined logically according to the country's industrial policy in order to promote domestic technological progress and agricultural and industrial production, to increase exports and enlarge foreign exchange income, and to ensure the importation of those materials that are significant to the national economy and the people's livelihood. Proper arrangements must be made to introduce advanced technology and import equipment and key parts as well as those important raw materials and goods that are domestically in short supply in order to guarantee the people's livelihood, support production, raise technological levels and promote the development of national industries. Imports of ordinary processing equipment as well as durable consumer goods must be strictly limited. Active efforts must be made to develop the production of those goods that can be produced internally. Those production lines that are introduced to process and assemble foreign components must be verified carefully so that blind introduction can be avoided. Close attention must be paid to the assimilation and renewal of imported technology and efforts must be made to develop import substitution. All actions wasting foreign exchange must be firmly corrected and stopped.

#### **5. Continuing the Reform of Foreign Trade Management**

It is an objective necessity for the development of foreign trade and especially exports to give full play to the initiative from all those involved. The international market is undergoing changes which are many and rapid. It is essential to take effective action in time, react flexibly and adapt to the changing conditions. So we will gradually reform the management of foreign trade, bring into play initiative of the state, localities and enterprises, and give local departments and enterprises greater decision-making powers so as to reduce the layers of control and raise working effectiveness. This also enables firm decisions to be made promptly and favourable opportunities to expand exports grasped and increases the economic benefits from imports and exports. It helps pool the wisdom and efforts of everyone and expand commodity production and sales channels.

Starting from 1979 we have conducted a series of trial reforms in the foreign trade system, changing from centralized control to diverse management with devolution of the right to make decision. The number of trading ports has been increased and the right to deal in some commodities passed down to basic units. New companies to engage in foreign trade have been set up. We have also explored the possibilities of combining industries with trade, technology with trade and directly connecting production with sales. The number of commodities produced to plan has been reduced and the planned purchase and allocation of export goods to enterprises have been cancelled. The system of making localities mainly responsible for exports has been implemented. These reforms have played a definite role in arousing the enthusiasm of the localities, departments and enterprises for exporting and expanding exports.

Foreign trade is a link between the internal and international markets. In the face of sharp competition in international markets and opponents with rich experience, we should rejuvenate management and at the same time strengthen overall control over foreign trade. We should give full rein to the superiority of our socialist system and unite our forces in order to ensure the healthy development of our foreign trade and foster and consolidate the enthusiasm of all involved. Therefore, while giving the right to manage exports to the localities, we have promoted the planning of foreign trade, policy guidance and relevant legislation. We have exercised further control over quotas and licences. Meanwhile the Ministry of Foreign Economic Relations and Trade has set up representative offices in provinces and municipalities as well as societies for the export of goods in order to strengthen control and business co-operation. The comprehensive control of foreign trade, customs and foreign exchange has been strengthened as has auditing and supervision. Overall co-ordination of tax revenues, tariffs, exchange rates and credit facilities has been introduced. All the measures taken are designed to ensure the development of our foreign trade in a flexible and orderly manner.

#### **'Temporary' Controls on Coal Use Reported**

*OW1710091789 Beijing XINHUA in English  
0858 GMT 17 Oct 89*

[Text] Beijing, October 17 (XINHUA)—The Ministry of Materials and Equipment and the State Planning Commission have imposed temporary controls on the use of coal, the PEOPLE'S DAILY reports today.

They require the coal production and supply department to provide coal of a certain quality and certain types to key enterprises according to the state plan and the needs of consumers.

Newly-started enterprises that need extra boilers must apply for their coal supplies in advance.

All enterprises are instructed to promote the use of energy-saving boilers and furnaces and to eliminate

obsolete production methods. Obsolete boilers that cannot be resold will be salvaged by the departments of materials and equipment.

From now on, central heating and the combination of central heating and electricity generation should be the first consideration when the departments arrange capital construction.

Coal for heating will not be supplied in the non-heating area, except to some special factories, hospitals and hotels.

Coal for the daily use of people in cities, canteens and the catering trade will be provided according to the quotas on coal-supply cards.

### **Shaanxi Coalfield Development Accelerated**

OW0510152989 Beijing XINHUA in English  
0811 GMT 5 Oct 89

[Text] Xian, October 5 (XINHUA)—China will invest 20 billion yuan in the development of the Shenfu-Dongsheng Coalfield and turn it into one of China's largest in the next 10 years.

Located on the borders of Shaanxi Province and the Inner Mongolia Autonomous Region, the coalfield covers an area of 32,000 sq km and has a verified reserve of 230 billion tons of coal which is low in ash, sulphur, and phosphorus, and has a high heat content.

Construction of the coalfield was started in 1986.

A 170 km railway line between Baotou City and Shenmu County, and a power plant with a generating capacity of 24,000 kw have gone into operation. Construction of a 270 km double-track electrified railway line between Baotou City and Shuoxian County is in full swing.

A 110 kv transmission line is being connected to the various mines in the coalfield.

The coalfield is expected to turn out 30 million tons of coal a year when the first phase of construction is completed in 1992, and 60 million tons with the completion of the second phase by the year 2000. The annual output will jump to 100 million tons early in the next century.

### **Overseas Cooperation Urged in Power Industry**

OW2809064589 Beijing XINHUA in English  
0353 GMT 28 Sep 89

[Text] Beijing, September 28 (XINHUA)—Foreign companies will be invited to bid in the construction of some big power plants in China, according to today's "CHINA DAILY".

They include the Zouxian County thermal power plant with two 600,000 kilowatt generating units, Ertan hydropower plants with six 550,000 kw units, the

Wuqiang-Xishui hydropower plant with five 240,000 kw units and the Ming Tombs reservoir power station with four 200,000 kw units.

They are located in Shandong Province, Hunan Province and the outskirts of Beijing.

For the past 10 years, China has introduced large quantities of foreign equipment and technical expertise in expanding the nation's thermal and hydropower plants.

So far, the China National Technological Import and Export Corporation has introduced foreign thermal and hydropower equipment worth 3.865 billion U.S. dollars, which can create a generating capacity of 15.72 million kilowatts.

In introducing foreign technology, the nation has used 168 million U.S. dollars in government loans from foreign countries including France, Italy, Austria, Norway, Canada and Japan. China has also spent 745 million U.S. dollars of its own foreign exchange reserves on these projects.

At present, China has a total power-generating capacity of 110 million kilowatts and produces 545 billion kilowatt hours of electricity a year, making it the fourth-biggest power producer in the world after the United States, the Soviet Union and Japan.

The country is expected to produce 1.2 trillion kilowatt hours of electric power with an installed capacity of 240 million kilowatts by the end of this century.

### **Economic Indicators Show Overall Improvement**

OW2709124789 Beijing XINHUA Domestic Service  
in Chinese 1303 GMT 25 Sep 89

["Local Broadcast News Service"]

[Text] Beijing, 25 Sep (XINHUA)—The six important economic indicators for the January-August period released by the State Statistical Bureau, the State Planning Commission, the Finance Ministry, and the People's Bank of China showed that the increase in social demand in China had weakened, investment in fixed assets was further curtailed, the situation of credit and loans had improved, and the increase in total workers payroll had slowed down. However, the economic results of industrial enterprises remained poor.

Investment in fixed assets was further curtailed. From January to August, state-owned units invested 94.5 billion yuan in fixed assets, down 8 percent from the same period last year. However, investments by six provinces, municipalities and autonomous regions, including Hainan, Inner Mongolia, Tibet, Shanghai, Guangdong, and Tianjin, were higher than the same period last year.

The banks continued to implement a tight monetary policy, and the credit structure was further readjusted. By the end of August, the loan balance of banks throughout the country was 36.6 billion yuan more than

the beginning of the year. However, from January to August, the amount of loans extended by banks was 54.7 billion yuan less than the same period last year. This shows that the tight monetary policy has paid off in credit and loans.

The increase in total workers payroll continued to slow down. From January to August, the total workers payroll throughout China amounted to 156.8 billion yuan, topping the same period last year by 19.1 percent.

Labor productivity increased somewhat. From January to August, labor productivity of state-owned industrial enterprises with independent accounting was 12,430 yuan, only 3.1 percent higher than the same period last year, and the rate of increase was 5.2 percent lower than the same period last year.

Cost of comparable products still continued to rise. From January to August, cost of comparable products of budgeted state-owned industrial enterprises rose by 20.2 percent, topping the same period last year by 8.9 percent.

The ratio of profits and tax payments to sales of industrial enterprises continued to drop. From January to August, the ratio of profits and tax payments to sales of budgeted industrial enterprises was 17.5 percent, down 2.5 percent from the same period last year.

#### **Scholars Give Recommendations To Improve Economy**

*OW1710120289 Beijing XINHUA in English  
1130 GMT 17 Oct 89*

["Scholars on Chinese Economy: First of a Four-Part Economic Series—Recommendations on Improving Economic Environment"—XINHUA headline]

[Text] Beijing, October 17 (XINHUA)—China must adopt effective measures to adjust some economic variables vital to economic development.

These economic variables include investment in agriculture and social fixed assets, expenditures on wages and welfare, bank loans and cash issuance, and also imports and exports.

The recommendations came from members of the moving systems analysis group of the China Academy of Sciences in their newly completed "report of preliminary research on sustained, stable, and co-ordinated development of the national economy."

The report suggests that the government should develop a plan to direct the development of agriculture by promoting regional specialization of agriculture in national distribution. This, the report pointed out, will help promote large scale agricultural production.

According to the report, the transfer of surplus rural labor to industrial areas should be well planned and oriented.

At the same time, the report says that policies should be developed to improve and rectify agriculture. The government should allocate funds to organize surplus rural labor to build irrigation works and improve the environment in rural areas.

The report also commented that the interest rate for bank credits should be greatly increased and that the government should connect the interest rate with floating salaries and bonuses by replacing the total volume of loans with the volume of deposits as the economic efficiency indicator.

Furthermore government should strictly control fund raising activities launched by enterprises and local authorities to raise investment for fixed assets. The current financial management system of dividing responsibility among different levels of government should be improved.

In order to increase the proportion of financial income in the national revenue, the report suggested a three stage increase—from 20 percent to 25 percent in the near future, to 30 percent in the second stage and 35 percent in the third stage. The proportion rate of financial revenues of the central government should be increased and the best choice is to keep the proportion rate at 5:5 compared with the local government finance in the near future.

The report called for the reduction of administrative management expenditures, and money allocated on basic construction.

It suggests that government should gradually change the scale of giving subsidies, make it available only to those under the poverty line, control the increase of insurance and welfare expenditures on the workers, paid in addition to salaries, and adjust the improper wage structure.

The report insists that the government must curb the inflation rate, bring the issuance of money and bank loans under strict control, and increase loan interest rate while further exploring the home markets and keeping import and export at proper scales.

#### **Steady Growth in Gold Production Noted**

*OW2709141189 Beijing XINHUA in English  
1309 GMT 27 Sep 89*

[Text] Beijing, September 27 (XINHUA)—China is expecting to produce more gold this year than last year, after an annual growth rate of 10 percent in the past decade, XINHUA learned here today.

Xu Daquan, chairman of the State Gold Bureau, said that the state has given the industry preferential treatment in recent years, aiming at keeping enough gold reserves to deal with the foreign debt repayment peak expected in the early 1990s.

The state has invested 2.8 billion yuan in the industry in the past ten years. This year the investment volume will



be 200 million yuan more than last year, although it has imposed an austerity policy on capital construction.

At present, China has over 200 gold mines and some 100 new projects will be completed within this year.

According to Xu, the state gold reserve now totals 12.67 million ounces.

### Newspaper Discusses Chinese Rural Enterprises

OW0310161189 Beijing BEIJING REVIEW in English  
No 40 2-8 Oct 89 p 47

[Article by Liu Jianjun entitled "Rural Enterprises' Exports Increase"—from "Business/Trade" column]

[Text] China's rural enterprises are fast becoming an important source for export earnings. Their exports in 1988 amounted to U.S. \$8.02 billion, and accounted for 16.5 percent of China's export total. This year's export volume is expected to reach U.S. \$9 billion according to the latest statistics released by the rural enterprises administration under the Ministry of Agriculture.

The administration's Deputy Director Zhang Yi said that China's rural enterprises have registered a rapid increase in their export in the past few years. Between 1984 and 1988, their exports totalled U.S. \$25 billion with an average annual increase of more than 25 percent. The target volume of U.S. \$8 billion set for 1990 had already been reached in 1988.

Rural enterprises have also witnessed an increased percentage in China's total export in terms of their respective product line. In 1988, for example, their garment exports accounted for 39.04 percent, silk 21.4 percent, machinery 16.2 percent, and light industrial products 19.34 percent. In addition, their exports of such commodities as electric fans made up more than 60 percent of China's total; and they processed for foreign clients U.S. \$2.94 billion worth of materials, which represented more than 70 percent of the total China processed or a 150 percent increase from 1986.

Such a rapid increase is made possible by the following factors: flexible management, increased variety of products, acceptance of smaller orders, timely delivery, competitive prices and improved reputation.

To further expand exports and strengthen their co-operation with foreign businessmen, the two Ministries of Agriculture and Foreign Economic Relations and Trade will host the Second Export Commodities Exhibition of China's Rural Enterprises at the China International Exhibition Centre from September 23 to October 4 this year.

Representatives from all the Chinese provinces, municipalities and autonomous regions will display more than 1,000 kinds of new and name-brand products. Foreign enterprises and trading companies will be invited to attend and take the opportunity for trade talks with China.

To date, China's 40,000 export-oriented rural enterprises have nearly 5 million employees. Of these enterprises, 120 are export machinery and electronic producers; 78 light industrial and textile producers, and 13,000 processing supplied materials for foreign businessmen. Among them, there are 250 U.S. \$1 million, 25 U.S. \$5 million and 8 U.S. \$10 million exporters. They export to more than 100 countries and regions the world over.

So far, these enterprises have established with foreign firms 4,762 joint ventures and co-operative enterprises which turn out an annual total output value of U.S. \$2.75 billion on 540,000 pieces of advanced equipment imported from abroad.

Presently, there are about 1.6 million rural enterprises in China with a gross annual output value of 473.5 billion yuan, and fixed and floating assets of 312.5 billion yuan. Their export earnings are expected to be U.S. \$10 billion by 1990.

### Statistical Bureau Lists Top 500 Enterprises

OW0310141489 Beijing XINHUA in English  
0816 GMT 3 Oct 89

[Text] Beijing, October 3 (XINHUA)—The State Statistical Bureau recently released a ranking of China's 500 largest industrial enterprises based on 1988 figures.

The Anshan Iron and Steel Company, Daqing Petroleum Administration, Wuhan Iron and Steel Company, Beijing Yanshan Petrochemical Company and Capital Iron and Steel Company were listed among the largest enterprises in the top 500.

In 1988 the total output value of the 500 largest enterprises was 301.2 billion yuan, accounting for 16.5 percent of the country's total. Their 60 billion yuan in tax payments constituted about a fourth of the country's revenue for the year.

The 500 enterprises are mainly from the energy, raw materials, machinery and electronics industries which are pillars of the national economy. However, both the scale and technical level of their production are still in a developmental stage compared to the world's largest industrial enterprises.

### Labor Exported to 117 Nations, Regions

OW0310152089 Beijing Domestic Service in Mandarin  
1030 GMT 24 Sep 89

[Text] According to XINHUA, in the last 10 years, China has sent a total of more than 300,000 laborers, engineers, and technicians to work in 117 countries and regions. It has signed 7,164 construction engineering and labor service cooperation contracts with those areas, totaling \$10.3 billion; and the jobs that have been completed so far amount to \$5.89 billion.

### Song Jian Stresses Science in Agriculture

OW1610201789 Beijing Domestic Service in Mandarin  
1030 GMT 5 Oct 89

[Third installment of the "National Hookup" program's serial report on agriculture: "Promote Agriculture Through Science and Technology"]

[Excerpts] [Passage omitted] The achievements scored by New China since its founding 40 years ago in agricultural science and technology have been unprecedentedly impressive. However, China faces many problems in promoting the results of agricultural science and technology. A sampling of 527 agricultural research institutes by departments concerned shows that although about 70,000 research projects have passed assessment tests, only some 23,000, or one-third of the total, have been applied and promoted in production. This means two-thirds of the research findings have not been switched to production. In agriculturally developed countries, about 70 percent of research results are utilized. Experts say it is a gross waste if scientific research only blossoms but fails to bear fruit.

What has caused this situation? Liu Zhicheng, vice president of the Academy of Agriculture Sciences, says: [Begin recording] Failure to promptly promote the results of scientific and technological research is caused by several factors. One concerns the research institutes themselves. For instance, they fail to gear their research to production, or they tend to emphasize research without paying attention to the propagation of research results. Another factor lies with the departments responsible for disseminating such results. For example, the system for promoting research findings is unsound. There is a shortage of personnel for such promotional efforts at the grass-roots level. Funding for promotion is also inadequate. The working and living environments of such departments have remained poor for a long time. A third factor is the poor economic conditions of rural areas and the scanty scientific knowledge of peasants. Many departments at the grass-roots level would rather spend hundreds of thousands of yuan, or even millions, buying sedans or constructing buildings than spend a fraction of such amounts to set up stations to disseminate the research results on agrotechniques in rural areas. [end recording]

[Passage omitted]

This station's reporter recently interviewed Song Jian, state councillor and minister of the State Science and Technology Commission. He expressed the hope that governments at all levels will make it a basic national policy to promote scientific and technological results in agriculture and implement the results resolutely.

[Begin Song Jian recording] A leading central comrade has said that agricultural development relies on policy, science, and technology, and investment. Comrade Deng Xiaoping recently stated that the ultimate solution to agricultural problems is science. Scientists and technicians

throughout China are therefore urged to serve the interests of agricultural development. This is a long-term policy of China. With the development of a socialist commodity economy in rural areas, agriculture today is no longer purely a matter of cultivation. It requires the support of all trades and professions. For example, machine building, chemicals, electronics, biology, water conservancy, and energy should contribute to agricultural development. In other words, we now need to back up macro-agriculture with macro-science and macro-technology.

At present, it is necessary to greatly broaden the application of scientific and technological results in agriculture. It is also essential to stress the dissemination and application of technology to increase the output of grain, cotton, and edible oil crops. In order to transfer scientific and technological results to production and increase and stabilize the yields of vast areas of farmland, governments and departments of agricultural science and technology at all levels should work out realistic plans, conduct experiments, and demonstrate research results pertaining to production.

The state's eighth 5-year science and technology plan, high technology development program, and basic scientific research must be geared to agriculture in order to provide efforts to disseminate scientific and technological results with a firm scientific foundation. Research institutes and institutions of higher learning should actively participate in the efforts of rural areas to carry out "spark" programs and implement plans aimed at achieving bumper harvests, ensuring ample food supplies, and accomplishing local agricultural work. In this way, rural areas will make sound progress in all forms of science and technology. Supply and marketing cooperatives in rural areas should promote agricultural production through science and technology. They should regard science and technology as their own important duty. They should usher in the initial stage in rural areas of a vibrant scientific and technological system with agricultural science as the backbone, supply and marketing as the support, and mass technological organizations as the foundation. The effort to promote agriculture through science and technology is the glorious historic mission of scientists and technicians throughout China. I hope that government departments at all levels, all science research institutes, schools, and colleges, and mass organizations will pay attention to the development of agricultural science and technology and take the lead in making active contributions toward this goal. [end recording]

### Grain Output Cut by Chemical Fertilizer Use

HK2809050489 Beijing CHINA DAILY in English  
28 Sep 89 p 4

[Text] Excessive use of chemical fertilizer on farmland has weakened soil fertility and reduced grain output, according to an article in ECONOMIC INFORMATION.

The report states that in 1988, the amount of fertilizer applied to fields throughout the country increased by 7.1 percent over 1987, but total grain output dropped by 2.2 percent.

Organic matter content in the country's cultivated land areas only amounts to 1.5 percent. Soil of the northeast China plain, which is one of the three famous black soil areas in the world, is turning yellow and its fertility is dropping.

Organic matter content of the soil has dropped to 1 to 5 percent from 8 to 10 percent in the early days after Liberation, the magazine FORTNIGHTLY CHATS reported.

This was caused by neglecting soil improvement. In recent years, economic reform has awakened farmers to commodity production. They are flooding into the cities to earn more money, regarding farming only as a subsidiary occupation.

Another reason is that farmers will not collect and use farm manure because of the hard labour involved and its offensive smell. They would rather buy chemical fertilizers instead.

Farmers are also worrying about changes in state policy. They are afraid that farmland that they improve might be taken back by the state.

In addition, cadres at the grassroots level often just care about grain output in order to take the credit and be promoted. They pay little attention to soil improvement. They only ask for more fertilizer, but they don't call on the farmers to apply manure. So the farmland deteriorates in quality for lack of organic matter.

The article said that the quality of soil has a bearing on the food supply of 1.1 billion Chinese people. Importance must be attached to soil improvement in order to strengthen agriculture. All kinds of organic manure should be constantly applied. Meanwhile, weeds should be planted to supply nutrition to farmland while allowing the soil to rest.

Cadres at all levels should call on farmers to take a long-range view of farmland and get rid of the conservative old ideas of a small peasant economy. The earth is a legacy to be passed on to our descendants, so farmers should not use the land in such a way as to violate natural law.

Furthermore, they should be encouraged to use manure of various forms in a scientific way. Neither excessive use of chemical fertilizer nor production of organic fertilizer by sheer manual labour is desirable.

### **New Chemical Fertilizer Increases Farm Output**

OW2809065089 Beijing XINHUA in English  
0336 GMT 28 Sep 89

[Text] Beijing, September 28 (XINHUA)—Xiong Jinquan, a worker of the No. 5 Machine Tool Plant in Nanchang, capital of Jiangxi Province in East China, has succeeded in developing a new type of chemical fertilizer called rare-earth catalytic-enzyme urea.

The fertilizer uses rare-earth elements to make plants more capable of absorbing nitrogen and promote the growth of plants.

Examinations showed that the new fertilizer contains abundant elements nutritious to plants. Its raw materials are easy to get and the cost of production is low.

Experiments in provinces such as Liaoning, Shanxi and Jiangxi proved that compared with ordinary urea, application of the new fertilizer can help increase the output of corn and sorghum by 4.5 to 8.2 percent.

## East Region

### Fujian Issues Interim Rules on Taiwan Vessels

OW0710130489 Fuzhou Fujian Provincial Service  
in Mandarin 1100 GMT 2 Oct 89

[Text] The provincial government recently approved provisional regulations drafted by the provincial Public Security Department regarding the control and inspection of Taiwan vessels lying at anchor in Fujian's ports.

The provisional regulations mainly consist of the following:

1. All Taiwan vessels sailing directly from Taiwan, Penghu, Jinmen, and Mazu to Fujian coastal areas for the purpose of visiting relatives, touring, and engaging in direct, small-scale trade shall be moored in anchorages for Taiwan ships designated with approval from the provincial People's Government in Qinyu, Sansha, Songxia, (Danao), (Xiuyu), (Wenjia), Meizhou's (Gongxia), Chongwu, (Houzu), Meilin, (Shabowei), (Dongdu), Jiuzhen, Dongshan's (Chengguan), (Gongkou), Jiamei, Guantou, and Mawei.

Vessels flying foreign flags shall be governed by regulations for foreign ships. These vessels can only be anchored in the five open ports in Fuzhou's Mawei, Xiamen's (Dongdu), Quanzhou's (Houzu), Dongshan's (Chengguan) and (Hutian's) (Xiuyu).

Taiwan vessels soliciting emergency help, seeking shelter from storms, and pulling in for repairs and supplies in Fujian's harbors may anchor in (Botan), Liua, Xiangzhi, and Yacheng in addition to the above anchorages.

2. After making port, Taiwan vessels must moor at designated areas for inspection. Taiwan fishermen must turn off radio communications, cover or lower the Kuomintang emblems and flags and conceal hostile slogans and paintings, calendars, and signs that feature propaganda and erotic themes. While in port, propaganda songs from Taiwan and erotic music must not be played loudly. The fishermen must not distribute or hurl leaflets and goods within the harbor area. They must not bring hazardous goods ashore, nor must they engage in smuggling, land speculation, and activities hampering the lofty cause of reunifying the motherland.

3. Taiwan compatriots who want to travel around counties where harbors are situated shall apply for landing permits at the border work stations in the areas concerned. Those wishing to stay, visit relatives, travel, and conduct business talks in and outside the counties shall obtain travel papers or travel certificates.

### Jiangsu's Han Peixin Addresses Veteran Cadres

OW1010055589 Nanjing Jiangsu Provincial Service  
in Mandarin 1015 GMT 26 Sep 89

[Text] The provincial party committee and provincial government held a meeting in Nanjing today to commend advanced collectives and individuals among retired and veteran cadres who have made positive contributions.

Han Peixin, Chen Huanyou, Deng Hongxun, Sun Jiazheng, Gu Hao, Liu Lin, Zhou Ze, Xing Bai, Gao Dezheng, Ling Qihong, Luo Yunlai, Cao Keming, and other leading comrades attended the meeting.

At the meeting Governor Chen Huanyou read the decision of the provincial party committee and government on issuing the commendation.

Secretary Han Peixin spoke at the meeting. He fully affirmed the veteran comrades' historical exploits in the various stages of revolution and construction in China, as well as the [words indistinct] during their retirement years. Many veteran comrades have consistently kept in line with the party Central Committee politically and upheld the four cardinal principles. During the recent struggle to oppose turmoil and quell rebellion, they demonstrated very high political consciousness.

Han Peixin said: Developing revolutionary traditions is an obligation duty of veteran cadres. He hoped that veteran cadres will continue to make new contributions to restoring and developing the party's fine tradition and, if possible, put their special skills to good use, conduct investigations and studies, actively offer their suggestions to the party organization and government, and exercise supervision so as to facilitate efforts to improve party style and build a clean government.

The meeting commended 32 advanced collectives and 279 advanced individuals among retired cadres, as well as 56 advanced collectives and 60 advanced individuals among veteran cadres.

### Jiangxi Concludes Leaders Meeting 5 Sep

OW0910021589 Nanchang Jiangxi Provincial Service  
in Mandarin 1000 GMT 5 Sep 89

[Excerpt] The 4-day meeting of provincial commissioners, mayors, and county heads concluded successfully in Nanchang on 5 September. Those attending the meeting earnestly implemented the guidelines laid down by the 4th Plenary Session of the 13th CPC Central Committee and the important speeches made recently by Comrade Xiaoping, analyzed the current economic situation in the province, made arrangements for work in the next several months, and studied and worked out the tasks and measures for the development of agriculture during this winter and next spring.

At the beginning of the meeting, Secretary Mao Zhiyong of the provincial CPC Committee and Jiangxi Governor



Wu Guanzheng addressed the gathering. Jiang Zhuping, deputy secretary of the provincial CPC Committee and vice governor of Jiangxi, gave a summary report.

Leaders attending the meeting were Wu Guanzheng, Liu Fangren, Jiang Zhuping, Wang Zhaorong, Lu Xiuzhen, Wang Taihua, Zhao Zengyi, Di Sheng, Wang Shufeng, Zhu Zhihong, Huang Huang, Qian Jiaming, Sun Xiyue, Zhang Fengyu, Fang Qian, Yang Yongfeng, Wang Guande, Bai Dongcai, member of the Central Advisory Commission, and veteran Comrade Fu Yutian. [passage omitted]

### **Zhejiang's Li Zemin Addresses Economic Meeting**

*OW1010055089 Hangzhou Zhejiang Provincial Service in Mandarin 0900 GMT 16 Sep 89*

[By station reporter Zhang Jianping; from the "Provincial Hookup" program]

[Text] In a speech at the closing of a provincial economic work conference today Li Zemin, secretary of the provincial party committee, called on party committees to strengthen leadership over economic work and to intensify ideological and political work on the economic front.

Li Zemin began his speech by fully confirming Zhejiang's conspicuous achievements in reform and opening to the outside world that were made under the party's leadership. After analyzing the grim reality in the current economic situation, he said: The more formidable the task, the harder we must work to achieve progress. To harness the enthusiasm of all quarters, party committees should go all out to boost the people's morale, stabilize popular feeling, and eliminate any passive attitude and inertia. Only when the people's enthusiasm is fired will they explore ways and means to expand the market and raise funds.

Li Zemin stressed: We must understand the central task and two basic points in a comprehensive and accurate manner. The central task of economic development is still the focal point of the party's entire basic line, and the two basic points [adherence to the four cardinal principles and implementation of the reform and open policy] should be given equal attention. In previous years, we emphasized economic development while slackening ideological and political work. Today, remedial measures have been taken by attaching importance to party building. We have just begun to pay attention to party building, and much remains to be done. But some localities have slackened economic work, either knowingly or unknowingly.

Li Zemin said: It is necessary to point out that promoting economic development and guarding against an economic downslide are the key to stabilizing the overall situation. This is not just an economic issue but also a major political issue. Party committees at all levels should go all out to grasp the central task of economic

development. Party-member leading cadres should uphold the party spirit and ensure a good job in economic work.

Li Zemin said: Party building and economic development are compatible with each other. Economic work is the concern not only of the government and its economic departments, but also of the whole party. Party committees at all levels should serve the economy by studying the economic situation and working out measures to prevent an economic downslide. It is necessary to foster a climate of attaching importance to economic work within the whole party. Party committees should be adept at doing ideological and political work in the economic field, dispelling ideological misgivings among cadres and workers, and helping them to boost their spirit in promoting economic development.

### **Shanghai Congress Committee Discusses Crime**

*OW1010061189 Shanghai City Service in Mandarin 1000 GMT 26 Sep 89*

[From the "News" program]

[Text] The 11th meeting of the 9th Shanghai Municipal People's Congress Standing Committee came to an end today.

The meeting, chaired by Vice Chairman Chen Tiedi, examined the report submitted by the Shanghai Municipal Procuratorate on the struggle against corruption and bribery.

The meeting said: People today are eager to see that corrupt personnel are punished and that impartial public services are available. Procuratorates, people's courts, public security organs, business administrative organs, and other law enforcement agencies must wage resolute struggles against corruption, bribery, speculation and profiteering, and other crimes according to law, no matter who may be involved. Law enforcement agencies must firmly carry out lenient or harsh measures prescribed in the circular to encourage those who have committed crimes to surrender and lead a new life. All government organs, enterprises, institutions, and propaganda departments must join hands to create an atmosphere in which all criminals will be publicly denounced—like rats crossing the street.

The meeting stressed that the Shanghai Municipal People's Congress Standing Committee will firmly support the judiciaries and law enforcing departments in waging the struggle against corruption.

The meeting adopted the decision concerning the reelection of new deputies to people's congresses of all districts, counties, townships, and towns under Shanghai's jurisdiction as well as the number of deputies to be elected. According to the decision, the election will be completed by March 1990; each district or county People's Congress will have 200 deputies and 1 more deputy for every additional 10,000 people; and each township or

town People's Congress will have 30 deputies and 1 more deputy for every additional 1,500 people.

The meeting also adopted certain appointments and dismissals.

### Central-South Region

#### Guangdong Governor on Repatriation, Water Supply

HK1610022489 Hong Kong TA KUNG PAO  
in Chinese 16 Oct 89 p 2

[Report: "Ye Xuanping Interviewed on Repatriation of Illegal Immigrants, Water Supply, Other Issues"]

[Text] Guangzhou, 15 Oct (TA KUNG PAO)—Guangdong Vice Governor [title as published] Ye Xuanping, when asked by reporters to comment on the allegation that Hong Kong is likely to be turned into a base to subvert the Chinese Government, said here today that Hong Kong people should remain vigilant and not take this remark as nonsense, because some people in Hong Kong are really engaged in these activities.

On the "Yang Yang incident," Ye Xuanping said: One key will not give forth a sound. The Chinese and Hong Kong sides should show their good faith. The two sides were on close terms in the past; therefore, they should have sincerity in overcoming this difficulty.

On China's refusal to take in illegal immigrants repatriated by the Hong Kong government, Ye Xuanping said that we act in all cases on the policy of the central authorities.

The Vice Governor emphasized at the same occasion that the state is duty-bound to solve the problem of water the supply in Hong Kong so it will not pose a problem.

#### Guangdong Leader Attends Meeting on Power Abuse

HK1710023989 Guangzhou Guangdong Provincial  
Service in Mandarin 0400 GMT 16 Oct 89

[Text] The CPC Guangdong Provincial Committee held a meeting to report on how the provincial party committee No 6 document had been implemented in the four cities of west Guangdong. The meeting was held in Zhanjiang from 11 to 12 October. Provincial party committee Secretary Lin Ruo presided over and spoke at the meeting. Wang Zongchun, a member of the provincial party committee and secretary of the provincial Discipline Inspection Commission, attended and addressed it.

The meeting particularly analysed the nature of abusing power to build private houses by party and government cadres, and discussed how to investigate further and handle those cases. It reiterated the principles, policies, and methods governing the provincial party committee in investigating and handling the cases of building private houses by abusing power among party and government cadres. It also called on party committees at all

levels to carry this anti-corruption struggle through to the end in accordance with plans drawn up by the provincial party committee, not to stop halfway and do it superficially, and not to call off the battle until victory is complete.

After making a clarifying analysis, the meeting pointed out that the problem of building private houses by abusing power is very serious and has developed to the point of violating law and discipline, and has gone beyond the limits of evil practice. This is in fact a phenomenon and an act of corruption. In this sense, our struggle against the phenomenon is by no means a fight against unhealthy tendencies, but against corruption.

The meeting held that party committees in the areas where the trend of building private houses by abusing power was rife should now concentrate time and effort on the anti-corruption struggle of immediate significance. At the same time, they should set a time limit on the struggle. In case we do not complete it this year, we can continue it next year. The provincial party committee has set the greatest determination on the struggle. It will not stop until complete victory; and the corrupt phenomenon of building private houses by abusing power will not be allowed to appear again.

#### Guangdong Returns Homes to Overseas Chinese

HK1110082189 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1456 GMT 8 Oct 89

[Dispatch: "Guangdong Province Spends More Than 500 Million Yuan over the Past 10 Years on Implementing the Policy Toward Overseas Chinese Houses"—ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 8 Oct (ZHONGGUO XINWEN SHE)—The Guangdong Province's task of implementing the policy toward Overseas Chinese houses is arduous and complicated and over the past 10 years, the province has spent over 520 million yuan renminbi allocated by the state and locality.

According to the figures provided by an Overseas Chinese Affairs Department, up to the first half of this year, the right of use of the Overseas Chinese houses on some 15 million square meters that had been confiscated during the rural land reform throughout Guangdong Province was returned to 96,000 households, and this area accounted for 89 percent of the total area that should have been returned; the property right of the urban Overseas Chinese houses on some 4 million square meters was returned to 40,000 households, this property right amounted to 77 percent of the property right that should have been returned; and the area of some 190 [figure as published] square meters whose right of use had been returned to 19,000 households made up 51 percent of the area whose right of use should have been returned.

The material resources spent on the implementation of the policy toward the Overseas Chinese houses have

been shared by the state and locality together, the accumulative total of the state subsidies over the past 10 years reaches 250 million yuan, the local financial allocation is some 270 million yuan, and Guangdong itself has also allocated some building materials, including rolled steel and cement, in coordination with the work of returning the Overseas Chinese houses.

Situ Rongsheng, director of the Guangdong Overseas Chinese Affairs Office, said a few days ago that Guangdong had now basically completed the task of implementing all policies concerning the Overseas Chinese affairs. However, some of the work of returning Overseas Chinese houses yet remains because some units or individuals did not do very well in coordinating the work of returning Overseas Chinese houses apart from the limitation by the state financial resources. He, therefore, hoped that governments at all levels and the units and individuals concerned would attach importance to this problem and strive to complete the work of returning the Overseas Chinese houses as soon as possible.

### **Economic Crime Increases in Guangdong SEZ**

*HK1110051189 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0930 GMT 6 Oct 89*

["Complaints of Economic Crimes Received by Shenzhen Procuratorate in the Last 2 Months Sharply Increased"—ZHONGGUO TONGXUN SHE headline]

[Text] Shenzhen, 6 Oct (ZHONGGUO TONGXUN SHE)—In August and September, the Economic Crimes Complaint Center of the Shenzhen City Procuratorate received 454 complaints, and these cases involved 526 people. Since the center was founded in March 1988, the average number of complaints it received each month was not more than 100.

Chen Naichang, deputy chief procurator of the Shenzhen City Procuratorate, today said that the people are now more active in complaining against corruption, bribe-taking, and other serious economic crimes. This shows that Shenzhen City has achieved marked results in implementing the circular of the Supreme Court and the Supreme Procuratorate on urging economic criminals to surrender themselves to the judicial organs before the deadline. Among the complaints, 275 cases involving 326 people suspected of economic crimes will be handled by the procuratorate. Those being complained against include many enterprise managers, factory directors, party secretaries, and these people numbered 245. A few people being complained against are party members.

The procuratorate in Shenzhen has discovered some major cases according to the clues provided by the complainants. For example, three people in the Shenzhen office of the Baoan County Construction Bank were suspected of taking more than 100,000 yuan in bribes; Zhang Xuanzheng and another two people in the service company of the International Trade Center jointly embezzled more than 1 million yuan. These criminal cases were all revealed by the masses through complaints.

In addition, in the last 2 months, nearly 180 economic criminals in Shenzhen City confessed their crimes voluntarily to the authorities concerned. According to their confession, they gained a total of 6.14 million yuan and more than 700,000 Hong Kong dollars by illegal means. They have now returned more than 3.2 million yuan and 150,000 Hong Kong dollars of the ill-gotten money.

Chen Naichang indicated that, at present, many people who committed the crimes of corruption and bribe-taking in Shenzhen have not confessed their crimes to the authorities. The procuratorate is soberly aware of this and will take timely action to punish those who stubbornly refuse to confess their crimes.

### **Southwest Region**

#### **Guizhou Increases Industrial Production**

*OW1310211089 Beijing XINHUA in English 1214 GMT 13 Oct 89*

[Text] Guiyang, October 13 (XINHUA)—The total industrial output value in southwest China's Guizhou Province reached 8,690 million yuan (about 2,348 million U.S. dollars) in the past nine months, an 8.7 percent increase over the same period last year.

The output value of the state-owned enterprises surpassed 900 million yuan (about 243 million U.S. dollars) in September, an increase of six percent over the same month last year. And that of the collective enterprises and other kinds of industries enjoyed respectively 9.1 percent and 73.5 percent increases over the same period of last year.

Compared with last year, the production of energy and chemicals also showed gratifying trends in September. The output of raw coal topped 2,561,000 tons—an increase of 23.3 percent—and electricity production reached 916,370,000 kwh [kilowatt-hours]—a 12.2 percent increase.

The main products of the chemical industry, synthetic ammonia and fertilizer, increased 22.6 percent and 46.5 percent, respectively, over last year's figures.

#### **Sichuan's Yang Rudai Meets With Professors**

*HK1310025789 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 12 Oct 89*

[Text] Yang Rudai, secretary of the Sichuan Provincial CPC Committee, met in Chongqing yesterday with meritorious experts and professors from 21 institutes of tertiary education in Chongqing, including Chongqing University and Southwest Normal University, and talked with them.

During the meeting, Professor (Ye Yusan), president of Sichuan Arts College, and Professor (Jin Ping) of Southwest Political and Legal College discussed the extremely profound lessons of the rampant spread of bourgeois liberalization in recent years due to the weakening of



ideological and political work in the schools. The experts held that teachers must first of all give priority to cultivating people. Some of the experts, citing their personal experiences, spoke about their feelings while working in foreign countries and talked about how to display their strong points on returning to China by training students with ability and political integrity. The representatives of the institutes also proposed the future focal points for ideological education and noted the current problems which are universal in the schools.

Yang Rudai said that adhering to the four cardinal principles and opposing bourgeois liberalization is a long-term task for education circles. All institutes of tertiary education must seize the current favorable opportunity to step up ideological education for the students.

Xiao Yang, secretary of Chongqing City party committee; Vice Mayor (Xiao Zuxiu); and responsible comrades of the provincial and city propaganda departments and education commissions attended the meeting.

#### **Sichuan's Yang Rudai Views Broadcast Propaganda**

*HK1110014389 Chengdu Sichuan Provincial Service  
in Mandarin 2300 GMT 10 Oct 89*

[Text] Yang Rudai, secretary of the provincial party committee, made an important speech at the provincial conference on radio and television work on 10 October. He said: Radio and television are one of the party's and state's most important propaganda media and play an extremely important role in educating and encouraging people of all nationalities to build socialist material and spiritual civilization. It is also one of the most effective media linking the party and the government to the masses. It plays an irreplaceable role in publicizing the party's program, line, principles, and policies and reflecting the masses' cries.

In light of the continuous new developments and the future work tasks, Comrade Yang Rudai focused on the following points regarding how to run radio and television still better:

1. Seriously study and publicize well Comrade Jiang Zemin's National Day speech. Comrade Jiang Zemin's speech is very significant for unifying the thinking of the whole party and the people of the whole country, bracing their spirits, and uniting them as one; consolidating and developing the fruits of victory; and continuing to forge ahead along the path of building socialism with Chinese characteristics. Radio and television departments and the party's propaganda workers must, on the basis of studying the speech well themselves, adopt a variety of methods and take full advantage of the characteristics of radio and television in vivid imagery and extensive coverage to make new contributions to the study and publicity of Comrade Jiang Zemin's speech.

2. Insist on the principle of party spirit in journalism work. Journalism, radio, and television must act in accordance with their own inherent laws, but this must be on the premise of insisting on the principle and political orientation of party spirit in journalism; adhering to the party's basic line, one focus, and two basic points; and opposing bourgeois liberalization. Having succeeded in this respect, the ideological and artistic qualities of news reporting and programs of all types can be enhanced, their contents will have substance and definite aims in view, and their forms will be varied and attractive to the masses. This is the orientation and goal for carrying out thorough reforms in journalism, radio, and television in the future.

3. Step up propaganda in the theory of Marxism-Leninism-Mao Zedong Thought and do a good job in ideological education. This is the fundamental major task in building our party. It is also the key to fundamentally resolving bourgeois liberalization and ensuring the correct implementation of the party's basic line. An important content in carrying out education in Marxism-Leninism-Mao Zedong Thought is to study and publicize Comrade Deng Xiaoping's works and carry out thorough, selective, and effective propaganda for the masses in conjunction with reality.

4. The focus of radio and television work should be on the rural areas. In this work, we should attach equal importance to the urban and rural areas and serve the building of the two civilizations.

5. Strengthen the building of the leadership groups in the radio and television organs, and improve the ideological and professional standards of the work contingent. There are three main functions of the radio and television organs: news and propaganda, the development of radio and television work, and administrative management. Propaganda is their focal task.

6. Strengthen party leadership over radio and television work, and ensure that radio and television can play its role even better as mouthpiece and bridge.

Xu Chuan, member of the Standing Committee of the provincial party committee and director of the Propaganda Department, presided at the meeting. Governor Zhang Haoru also made a speech. Nie Dajiang, vice minister of radio, television, and cinema, was also present.

#### **North Region**

##### **Beijing Issues Rules on Party Building, Ideology**

*OW1510181289 Beijing XINHUA in English  
1544 GMT 15 Oct 89*

[Text] Beijing, October 15 (XINHUA)—Beijing Municipal Chinese Communist Party Committee today passed a resolution on strengthening party building and ideological work at its enlarged meeting held here.



The main contents of the resolution are as follows:

—To purify the party organizations and enhance quality of party members. A drive will be conducted in the party to examine and investigate how party members, especially officials with party membership, behave in ending the national turmoil and quelling the anti-government rioting.

The overwhelming majority of the party members will be united and educated and a very small number of hostile and anti-party elements will be resolutely purged of the party.

—On the basis of the drive and ideological consolidation, party members will be reregistered in a limited scope according to the qualification criteria for party members as stipulated in the party Constitution. Unqualified party members will be dealt with according to the party Constitution. The reregistration will be completed by the end of 1990.

The resolution stipulated that exploiters cannot be admitted into the party, and those who have already been party members must adhere to the party's ideals and aims and fulfill the obligations of party members. Besides getting their own due pay, they should spend their after-tax profits on production and public welfare and should not use them for their own private needs. If they fail to do so, they can no longer be party members.

—To uphold the principle of the party being in charge of personnel affairs and strictly stick to the qualification criteria for officials. Leading bodies at all levels, especially at the division level, will be reshuffled and consolidated if necessary, and political integrity will be emphasized in choosing and appointing officials in the future.

—To enforce party discipline. Leading officials should take the lead in building clean and honest government and better serve the people. Corrupt officials must be severely handled.

The resolution also covers the role of party organizations at grass-roots units, the party's leadership in the ideological field, the study of Marxist theory, and party work.

### Inner Mongolia Wheat Output Reported

SK1410115589 Hohhot NEIMENGGU RIBAO  
in Chinese 14 Sep 89 p 1

[Summary] The people of various nationalities throughout Inner Mongolia Autonomous Region have reaped a bumper harvest of summer grains this year despite various natural disasters. According to the statistics compiled on 5 September, the region put 161.66 million kg of wheat into warehouses, an increase of 30.03 million kg, or 22.8 percent, over the same period of 1988 and fulfilled the wheat fixed-quota purchase task by 52 percent. According to statistics, the region's total wheat output in 1989 is expected to reach 1.71 million tons, a 79,000-ton increase over 1988.

### Tianjin Revokes Foreign Enterprises' Licenses

HK1010082189 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1247 GMT 7 Oct 89

[Report by Sun Zhimin (1327 1807 3046): "Eight Enterprises With Foreign Investment in Tianjin Have Business Licenses Revoked"]

[Text] Tianjin, 7 Oct (ZHONGGUO XINWEN SHE)—Tianjin Municipal Bureau of Industrial and Commercial Administration has recently decided to revoke the business licenses of eight enterprises with foreign investment because both the Chinese and their counterparts failed to pay the registered capital as provided for by the contracts. It also set a time limit for them to go through the formalities of canceling their licenses.

The eight enterprises are: Tianjin Haiyuan Shoe Manufacturing Co., Ltd.; Huafeng Electronics Co., Ltd.; Tianjin Zhongji Knitting Co., Ltd., and Tianjin Northern Plastics Co., Ltd. (these are invested by Hong Kong businessmen); Tianmai Soya-Bean Milk Co., Ltd.; Tianjin Tianhai Electronic Appliance Co., Ltd. (these are invested in by American businessmen); Tianjin Kaiyang Ceramic and Plastic Construction Materials Plant (this is invested in by Singapore businessmen); and Tianjin Lixing Electronics Co., Ltd. (invested in by Taiwan businessmen).

Tianjin Municipal Bureau of Industrial and Commercial Administration points out that these enterprises have violated the "Regulations Governing Pooling Capital by the Parties Concerned for Enterprises With Chinese and Foreign Capital" approved by the State Council.

According to our information, another 22 enterprises with foreign capital also have the problem of one or both sides not paying the registered capital in the period fixed by the contracts. The bureau has issued notices demanding that they pay within 1 month, otherwise they will be handled according to the state's law.

The data supplied by Tianjin Municipal Bureau of Industrial and Commercial Administration indicated that the overall situation of pooling capital by enterprises with foreign investment in the city has been good. According to statistics, as of the end of 1987, a total of 228 enterprises with foreign investment have obtained business licenses from the city's Bureau of Industrial and Commercial Administration, with registered capital totaling \$272.7833. The Chinese side and its foreign counterpart currently have paid \$259.04, which is 95 percent of what should be paid.

According to analysis, the reasons a small number of enterprises default payment or full payment of the registered capital are: In some enterprises, the Chinese side and its foreign counterpart have conflicts in the course of carrying out the contracts, with neither side wishing to continue cooperation and pool capital; in some enterprises, neither the Chinese side nor its foreign partner have the ability to pool capital and therefore cannot do

so; and in some enterprises, current productivity has already met the demand of production, therefore neither side wants to allocate more capital.

Tianjin Municipal Bureau of Industrial and Commercial Administration has revoked the business licenses for enterprises in which both the Chinese side and its foreign counterpart have not pooled capital or started preparations for construction; ordered the enterprises in which both the Chinese side and its foreign counterpart have made some payment, but not full payment, to make full payment within a limited period of time; and allowed the enterprises which can now conduct normal production and business to change registration of capital based on their actual scale of production and operation.

### **Tianjin Reports Family Planning Achievements**

SK1410042189 Tianjin TIANJIN RIBAO in Chinese  
24 Sep 89 p 1

[Summary] Since the initiation of the family planning project in 1963, Tianjin Municipality has scored marked achievements in birth control. Between 1963 and 1989, the accumulated population decrease reached 2.32 million and the municipality has saved 37.1 billion yuan of nurturing expenses.

Over the past 10 years, 760,000 households across the municipality have shown a population decrease of 1 million babies thanks to the one couple, one child policy.

### **Northeast Region**

#### **Jilin's He Zhukang Supervises Rural Work**

SK1310041789 Changchun Jilin Provincial Service  
in Mandarin 2200 GMT 12 Oct 89

[Summary from poor reception] "From 5 to 7 October, He Zhukang, secretary of the provincial party committee, conducted inspections of rural work in the cities of Danan and Zhenlai."

During his inspection tour, Comrade He Zhukang gave instructions to the workers in which he stated: Generally speaking, issues concerning agriculture are confined to the work of bringing about a change in agricultural production conditions. Irrigation is the lifeblood of agriculture. To ensure that our province increases grain output, and to score high and stable yields in grain production, we must engage in large scale farmland capital construction. In vigorously carrying out farmland capital construction, we must mobilize and organize the masses. At present, leading personnel of party and government organs at all levels must arouse and organize the masses immediately to cause an upsurge in farmland capital construction in a timely manner while doing a good job in (autumn harvesting and planting), and to vigorously carry out the construction in the winter as a whole so as to lay a solid foundation for reaping a bumper agricultural harvest in 1990. "After hearing the briefing given by the responsible local personnel during

his inspection tour, Comrade He Zhukang stated: Since the 3d Plenary Session of the 11th CPC Central Committee, our province has experienced a tremendous change in agricultural production and scored marked achievements in the production." However, we can only note that (our province's agricultural foundation is still weak) and that doing a good job in carrying out farmland capital construction to a great extent, so as to bring about a change in the agricultural production conditions as soon as possible, represents a task which urgently needs to be fulfilled at present in conducting rural work. If we put off this task again, we will pay a much higher price for it. In agriculture, our province should solve the problems concerning high and stable yields of grain production, the provincial strong points of grain production, and the construction of production units at the grass-roots levels. A most fundamental method is to improve the production conditions. In farmland capital construction, we should vigorously carry out the task through the following ways: 1) The state should appropriate investment in some large projects; 2) efforts should be made to make unified arrangements for the construction and carry out construction stage by stage; 3) efforts should be made to rely on and arouse the masses and to carry forward the spirit of self reliance and arduous struggle in farmland capital construction.

"In referring to the excellent situation in his instruction, Comrade He Zhukang emphatically pointed out: "Leading personnel at all levels should regard farmland capital construction as a central task undertaken by rural villages at present. The departments of water resources, agriculture, forestry, farm machines, material supply, commerce, industry and communications, petroleum, power industry, and financial affairs should actively render services for farmland capital construction.

#### **Liaoning Secretary Attends Commendatory Meeting**

SK1310015389 Shenyang Liaoning Provincial Service  
in Mandarin 2300 GMT 9 Oct 89

[Text] On 9 October, the provincial party committee and the provincial government held a meeting in Shenyang to commend advanced collectives and outstanding cadres and policemen of the public security organs throughout the province. Leading comrades including Quan Shuren, Li Changchun, Dai Suli, Xu Shaofu, Wang Julu, Chen Suzhi, Gao Zi, Shang Wen, and Zhang Tiejun attended the meeting.

At the meeting, 20 advanced collectives such as the Shenyang City Public Security Bureau, the (Dadong) District Public Security Subbureau, and the (Xiaobei) police station, and 84 outstanding cadres and policemen including (Dong Wenjiang), were commended. Four representatives of advanced figures introduced their experiences.

At the commendatory meeting, Wang Julu, deputy secretary of the provincial party committee, called on the public security organs throughout the province and all

cadres and policemen to learn from the advanced collectives and outstanding cadres who were commended at the meeting; to learn from their lofty character of firmly and unswervingly implementing the party's line, principles, and policies, upholding the four cardinal principles, persisting in the correct political orientation, distinguishing clearly between right and wrong, and adopting a firm stand; to learn their lofty ideology of ardently cherishing the people and being faithful to them; to learn their fine workstyle of working impartially, observing the law, never stooping to flattery, performing official duties honestly, and struggling arduously; and to learn from their pioneering spirit of persisting in reform, daring to explore, and making unceasing progress.

Comrade Wang Julu also set hopes and put forward demands on the public security departments throughout the province, urging them to implement deeply the guidelines of the fourth plenary session and fully display the functional role of the public security organs.

### Northwest Region

#### Gansu Vice Governor Joins Democratic Party

OW1010151989 Beijing XINHUA in English  
1300 GMT 10 Oct 89

[Text] Lanzhou, October 10 (XINHUA)—Lu Ming, vice governor of northwest China's Gansu Province, joined the China Democratic National Construction Association recently.

The association is one of China's eight non-communist political parties.

Lu, 50, is an agriculture expert. He has been a leader in the government of Gansu Province since 1985.

At a reception held by the association to welcome Lu and several other new members, Lu said that he will continue to unite all the intellectuals and patriots in the province to carry on multi-party co-operation under the leadership of the Chinese Communist Party.

The China Democratic National Construction Association was founded in 1945 by patriotic industrialists who opposed the reactionary rule of Chiang Kai-shek's clique. Since the founding of New China in 1949, the association has enlisted new members from economic circles and affiliated intellectuals.

Now, there are 917 members in the Gansu committee of the association. And Lu is the one with the highest rank in the government.

#### Qinghai Circular Calls for Studying Jiang Speech

HK1210012189 Xining Qinghai Provincial Service  
in Mandarin 2300 GMT 11 Oct 89

[Excerpts] The provincial party committee issued a circular on 6 October calling on all localities, organs, and units in the province to seriously study and implement

General Secretary Jiang Zemin's National Day speech. The circular said that this speech is a programmatic document guiding all current party and state work. Seriously studying and implementing its spirit is a component part of implementing the spirit of the 4th Plenary Session of the 13th CPC Central Committee and Comrade Deng Xiaoping's recent important speeches. It is a current major affair for party organizations at all levels throughout the province.

The circular called on party organizations to immediately organize the party members, cadres, and masses to seriously study the speech. Through this study, they should unify thinking and action, brace their spirits, effectively promote the struggle against bourgeois liberalization, do a good job in improvement and rectification, consolidate and develop the province's political situation of stability and unity, and achieve steady development in the province's economy. [passage omitted]

The circular stressed that leading cadres must take the lead in study and link theory with reality. In particular, leading cadres at and above the county level must take the lead in explaining and publicizing the speech, seriously sum up and reflect on things, and strive to enhance their own ideological and theoretical levels and work standards. This study should be regarded as a starting point for making theoretical study by leading cadres a regular and systematic affair. [passage omitted]

#### Qinghai Meeting on People's Congress Work Ends

HK1210015189 Xining Qinghai Provincial Service  
in Mandarin 2300 GMT 11 Oct 89

[Excerpts] A 6-day provincial meeting on People's Congress work concluded in Xining on 11 October. The meeting called on party committees at all levels to further strengthen leadership over People's Congress work and bring about new progress in this work.

Yin Kesheng, secretary of the provincial party committee, presided at the meeting. Tian Chengping, (Jin Jipeng), Sang Jiejia, Liu Feng, Lu Baoyun, (Tang Zhengren), Bian Yaowu, Huanjue Cailang, Duo Ba, Gabulong, Lu Shengdao, Xabchung Garbo, Xie Gaofeng, Ma Wending, Yang Wenjin, Han Fucui, Yang Maojia, and (Ma Bingli) attended the meeting. [passage omitted]

Tian Chengping, deputy secretary of the provincial party committee, delivered a summation. He said that the party committees at all levels and the party groups of the people's congresses currently must effectively grasp well the study of the Fourth Plenary Session spirit and Comrade Jiang Zemin's National Day speech. They should link theory with reality in studying the speech. [passage omitted]

Tian Chengping said that from the angle of the people's congresses and their standing committees, it is first necessary to clearly understand the relationship between the People's Congress and the party committee at the

corresponding level. Strengthening party leadership over People's Congress work is the fundamental guarantee for making this work successful. Only by unswervingly relying on party leadership in their work can the people's congresses and their standing committees fully play their functional role.

Second, it is necessary to clearly understand that the relationship between the people's congresses and their standing committees on the one hand and the government, courts, and procuratorates on the other is one of supervising and being supervised.

Third, it is necessary to clearly understand that the relationship between local people's congresses and between higher- and lower-level people's congresses is one of legal supervision.

He said: So long as the party committees at all levels attach importance to and support the work of the people's congresses and their standing committees, the local people's congresses and their standing committees will be able to play a still greater role in politics, economics, and all aspects of social life in their administrative areas.



## Police Clash With Supporters of Dissident Hsu

### Supporters Arrested

OW1210002989 Taipei CNA in English  
1544 GMT 11 Oct 89

[Text] Taipei, Oct. 11 (CNA)—Police used water cannons early Wednesday morning to disperse protesters gathered near the Tucheng Detention Center where dissident Hsu Hsin-liang is under custody.

Some 500 Democratic Progressive Party (DPP) members and supporters stayed late into the night demanding a meeting with Hsu, arrested on Sept. 27 while trying to smuggle himself into the country.

The self-exiled former Taoyuan County magistrate had been wanted on sedition charges for alleged involvement in the [word indistinct] Kaohsiung incident.

The police arrested 15 leading protesters, including DPP member Lin Cheng-chieh, former Taipei City councilman, and Hsu's wife Chung Pi-hsia, on charges of "creating disturbances" and "hindering the execution of public duties."

Deputy Director General Chi Hsi-pin of the National Police Administration (NPA) said Hsu's supporters did not obtain a permit for their march.

In addition, they violated Article 6 of the "Law on Assembly and Marching Effective During the Period of Communist Rebellion," which prohibits gatherings at certain places, Chi said.

The ranking police officer added that the protesters created chaotic traffic by illegally demonstrating on National Day in disregard of the state's "dignity" and the government's "face."

Their behavior, which would not have been permitted in a country respecting the rule of law, drew complaints from citizens in the neighborhood, Chi said.

He stressed that police had gathered concrete evidence in case charges are brought against those using violence against the police. "Such people will be handled strictly according to law and no leniency will be given," he added.

The police said 14 policemen were injured, 1 seriously, while carrying out their duties in Tucheng.

Scores of protesters were injured in the Tucheng clash when the protesting crowd threw stones at the police and attacking them with clubs [sentence as received].

On Tuesday, another group of DPP members clashed with the police in downtown Taipei when they tried to break through police cordons and reach the Presidential Plaza to protest the government's refusal to allow woman dissident Chen Wan-chen to register her residency and practice her civilian rights.

Interior Minister Hsu Shui-te said Wednesday that many people have called both his ministry and NPA and asked that the government not appease the troublemakers further.

The people want the government to be tough with the protesters since social order is already under attack, but the police must still scatter their manpower in order to deal with such protests, Hsu pointed out.

The ruling Kuomintang's (KMT) spokesman, Chu Chi-ying, cited polls showing an absolute majority of the people strongly desire social stability. He urged politicians to respect the people's wishes.

Commenting on the opposition's actions Tuesday and Wednesday, Chu said "a very small number of people call for judicial independence and judicial dignity but their own behavior shows no respect for judicial independence and judicial dignity."

He blamed "the few" for trying to solve the Chen and Hsu legal cases by illegal means. "Either they despise the law, or they do not understand the law," Chu said.

The director of KMT's Department of Cultural Affairs called on "the few" to understand public opinions, for polls show that 86 percent of the people strongly demand social stability.

He also called on "the few" to be mindful of their own "credibility" for they always promise "peace and nonviolence" before launching protests, but, contrary to their pledges, violence always occurs.

He said the protesters attacked police with stones during Tuesday's demonstrations, contrary to the DPP's pledge of "peace."

DPP Chairman Huang Hsin-chieh, however, countered that the police, unprovoked, attacked the protesting crowd and arrested unresisting protesters.

Huang also charged that it was the government's "delaying" over the Hsu case which caused his dissatisfied supporters to protest.

### Premier Comments

OW1210121389 Taipei International Service  
in English 0200 GMT 12 Oct 89

[Text] Premier Li Huan on Wednesday at Central Standing Committee meeting said that social stability is currently the biggest problem facing the country. The premier said that he will bring up suggestions (on) how to maintain social order at an upcoming conference devoted to the subject. Li said the recent deterioration in public order here has caused a good deal of fear in the commercial and industrial sectors and has led to an outward flow of investment capital from the island. The premier said that kidnapping, gunning down, threat, rape, and robbery have all escalated in recent months and a concrete solution must be found (on) how to deal with the increasing crime rate.

Meanwhile, in reference to civil disturbances which led to violence near the Taipei train station on Tuesday, Premier Li Huan said on Wednesday that those persons who broke the law will be punished. Li specifically was referring to hundreds of oppositionists (who) clashed with police while trying to breakthrough police cordons leading to the presidential building when National Day celebrations were taking place.

The Democratic Progressive Party members and supporters were trying to march to the plaza to protest the government's refusal to allow dissident Chen Wan-chen to register her residency here. Chen entered Taiwan several months back after years of exile abroad and returned without any legal papers. As the roads leading to the plaza were all sealed off, the protesters threw stones, sticks, cans, and bottles at the riot police who had to use force to disperse them. Disturbances also took place on Tuesday evening in the Taipei suburb of Tucheng when opposition protesters again fought with police outside the detention center where dissident Hsu Hsin-liang is being held.

The premier stressed that security authorities are investigating the situation and those who are guilty of crimes will be tried according to the law.

On another topic, the premier also said that it has not yet been decided who will be the next justice minister. Former Minister Hsiao Tien-tsan resigned last week after allegedly being involved in an influence peddling scandal.

### **President Li Meets Group of Overseas Chinese**

*OW1310002389 Taipei CNA in English  
1625 GMT 12 Oct 89*

[Text] Taipei, Oct. 12 (CNA)—The Republic of China Government is open-minded enough to tolerate different opinions but illegal behavior must be dealt with according to law, President Li Teng-hui stressed Thursday.

Meeting a group of Overseas Chinese who had returned for this year's National Day celebrations, the president said party politics are being implemented in the Republic of China.

"All political parties should operate within the boundaries of the law and regulations," he said. "There will be more or less differing views, but the Government is open-minded enough to tolerate them," he stressed.

Apparently commenting on National Day protests by the opposition, President Li promised that the Government would certainly handle the cases according to law dealing with behavior which aims to create disturbances.

He thanked the 50-odd representatives of Overseas Chinese communities for their steadfast support of the ROC Government.

All communist countries are confronted with a dilemma of "reform or step down," the President said, and the stubborn and fossilized Chinese Communist regime has set out on the path toward "total collapse."

He emphasized that China's future depends on "our own efforts." He promised that the Government would step up contacts with and service for overseas Chinese.

Su Chang-chun, from Canada, said that only after having lived in a foreign country did he realize the warmth of the mother country and the dear feelings for his fellow countrymen.

"We have all experienced political reality and so feel the importance of a strong mother country," Su said.

Chang Kang-shih, from Greece, presented a plaque inscribed with "loyal support from the four seas" to the president on behalf of all Overseas Chinese.

### **Commentary Views President's National Day Address**

*OW1210104789 Taipei International Service  
in English 0200 GMT 12 Oct 89*

[Station commentary: "President Li Calls for Unification"]

[Text] In his National Day address to the nation, President Li Teng-hui of the Republic of China on Taiwan called for reunification of China, saying Taiwan's future cannot be viewed as separate from a reunified China. This is commentary for the Voice of Free China. I am Joanna Fu.

The president exhorted Taiwan Chinese to work for unification by spreading the good word about the Taiwan experience to Mainland China. He said the 1.1 billion mainland compatriots are longing to share Taiwan's development experience, and will enthusiastically support its adoption on the mainland.

Li added that Taiwan Chinese should not stand by as simple observers while one part of China—Taiwan—basks in freedom and democracy, while the other larger part—the mainland—continues to wallow in poverty and despair under communist rule.

"There is an anticommunist consensus among almost all Chinese today, wherever they live, and this must be transformed into a powerful force for change on the mainland," he said.

President Li gave his address at the midway point of National Day festivities in the square in front of the presidential office building in downtown Taipei.

This year's parade was a departure from prior tradition of emphasizing the nation's military strength. Instead, the parade highlighted people-oriented activities, with a theme based more on cultural values. Folk dances, floats, and performances by children replaced the rows of

goose-stepping soldiers, giving the festivities a more joyous than solemn outlook, different from national days gone by.

But in keeping with the most important cultural tradition of all, a 120 meter long golden dragon brought up the end of the parade. In Chinese folklore, which is very much kept alive on Taiwan, the dragon represents good fortune for the nation in the year ahead.

Some 300 foreign guests attended the day's festivities. In interviews with the local press, most expressed their admiration for Taiwan's economic success. It is apparent that the island enjoys a hearty economic image abroad, but lacks any sort of concrete image in diplomatic or political terms.

Overall, this year's National Day festivities were indeed marked by a more practical outlook, rather than the old emphasis on patriotic fervor and military might. The change in tone is credited to President Li, who has worked to bring the presidency closer to the people, by laying less emphasis on vague slogans and more on substantive issues that affect people's daily lives.

Still, the president used his National Day address to remind the public that all free Chinese share the very important goal of working to free the mainland of its communist bonds, so that the sacred task of unification can be fulfilled at the earliest date.

Playing down the military complemented Li's emphasis on people-to-people contacts to spread the Taiwan experience as the chief means of achieving the unification goal. The message is one of hope, on a day that still inspires hope in all freedom-loving Chinese.

#### **Li Huan Stresses Defense Science, Technology**

*OW1210190189 Taipei Domestic Service in Mandarin  
2300 GMT 25 Sep 89*

[Report by Hau Tien-pei from the "National Hookup" program]

[Text] Since our country's withdrawal from the United Nations and since breaking Sino-U.S. diplomatic relations, the procurement of national defense weapons has been difficult. Under the direction of late President Chiang Ching-kuo, the Ministry of Defense formally established the Sky Bow program more than 7 years ago, with a strong determination to successfully develop, on our own, a high performance air defense missile system that would play a key role in the air defense of the Taiwan Strait during the 1990's.

The Sky Bow program consists of a series of weapon systems with combat capability in (?all airspace). These systems include the Sky Bow I and II missiles as well as multifunctional phase and illumination radar. After more than 7 years of research and development, the Sky Bow weapon systems were commissioned in a ceremony led by General Chiang Chung-ling, head of the Ministry

of Defense's Chungshan Institute of Science and Technology. They were handed over to Army Commander-in-Chief General Huang Hsing-chiang. This symbolized the beginning of a new era in national defense science and technology.

After the ceremony, Premier Li Huan of the Executive Yuan noted with emotion: [Begin Li recording] Our country pays special attention to national defense. Without national defense, there would be no country. Today's national defense relies on science and technology. Science and technology development changes with each passing day. One can also say that without science and technology, there would be no national defense. The development of the Sky Bow weapons system began 8 years ago. At that time, Mr Chiang Ching-kuo specially assigned the Ministry of Defense to develop these weapons. During the initial stage, General Hau Pei-tsu, chief of the general staff, was personally in charge. To most people, 8 years is a very long time, but it has been a formidable task for us to research and develop such precision weapons entirely on our own. The development of the Sky Bow weapons system not only marks a new step in national defense science and technology, but also helps propel the development of our country's science and technology into a new era. Without the development of science and technology, our industrial and commercial sectors would be competing at a disadvantage in the international arena. As a result, the prosperous development of our national economy relies on advances in science and technology. The development of the Sky Bow weapons system has contributed greatly to the standard of science and technology, and to the training of personnel in our country. [end recording]

The main features of the Sky Bow weapons system are their long-range capability and their ability to engage several targets at the same time during a saturation attack by the enemy. The firing control system has a very good electronic (?counter) capability. Now that the Sky Bow weapons system has been commissioned for service in the Army, there will be a better guarantee for Taiwan's air defense.

#### **Cabinet Approves Rules on Cross-Strait Ties**

*OW1210080989 Taipei International Service  
in English 0200 GMT 11 Oct 89*

[Text] The cabinet approved the temporary rules governing relations between people across the Taiwan Strait on Monday which aims to resolve the growing number disputes following increasing Taiwan-Mainland contacts. The main points of the 54-clause draft is that indirect trade is made illegal, but direct trade remains illegal.

Other points include: mainland residents who enter Taiwan illegally will be subject to a maximum sentence of 6 months' imprisonment, or NT\$20,000 fine. Mainlanders who belong to the seditious mainland organizations will be exempt from punishment if they admitted they were members on their applications to visit Taiwan.

Mainland immigrants will be required to reside in Taiwan for 3 years before being eligible to run for office, work in a government post, or organize a political party. Mainlanders named as heirs to legacies in Taiwan will be entitled to no more than half of the total inheritance, or maximum of NT\$2 million. And finally, local individuals and companies will be banned from investing in or engaging in indirect trade or technical cooperation with Mainland China, but they will be able to engage in indirect trade or other commercial activities with the permission of the Ministry of Economic Affairs.

### **Mainland-Taiwan Mediation Agency Established**

*OW1210083589 Taipei International Service  
in English 0200 GMT 11 Oct 89*

[Text] Five local lawyers on Saturday announced the formation of a Mainland-Taiwan Legal Mediation Ltd as the first legal mediation agency to handle disputes across the Taiwan Strait. The agency is Hong Kong based, and it deals with matters in inheritance, trading, and marriage issues. Li Chen-yen, one of the five lawyers, said that the aim of the agency is to protect the rights and interests of its customers and that he will not get involved in political issues. With the ban on direct contact with Communist Chinese, most legal disputes across Taiwan Strait are settled through Hong Kong law firms.

### **Taiwan Plans to Remain in Hong Kong After 1997**

*HK1210020589 Hong Kong HONGKONG STANDARD  
in English 12 Oct 89 p 11*

[By Terry Cheng in Taipei]

[Text] The Kuomintang (KMT) government in Taiwan will continue to use Hong Kong as a base to influence mainland China and to counter Beijing's "one country, two systems" plan against Taiwan.

Mr Shih Chi-yang, vice premier and head of the cabinet's ad hoc work group on Hong Kong and Macao affairs, yesterday told THE HONGKONG STANDARD that out of concern for Hong Kong residents' freedom and liberty, KMT government agencies would remain in the territory after 1997.

The Hong Kong Government should welcome the role the KMT agencies in the territory, which would be conducive to Hong Kong's prosperity and stability, he said.

Throwing new light on Taipei's view on Hong Kong's status after 1997, the official said the territory, which Beijing promised to turn into a special administrative region of China, would not be considered by Taipei as part of the mainland.

"Hong Kong after 1997 will not be exactly like other places of the mainland," he said.

Mr Shih said his ad hoc group, which comprised various government ministers and commissions, had drafted a three-phase plan for Hong Kong.

The first phase ends next year and the second would last until 1997. The third or long term phase would start in 1997.

He said some concrete measures had been decided while others were still being drafted.

Mr Shih said Taipei hoped Hong Kong residents would remain in the territory after 1997 to maintain freedom, liberty and prosperity.

He denied that Taipei had tried to drive a wedge between the Hong Kong Government and the mainland authorities over the swimmer, Yang Yang.

"In fact we had helped the Hong Kong Government by approving Yang's application to come to Taiwan," he said.

Mr Shih also denied that his government had delayed approving Yang's application, saying that it had believed the Hong Kong Government would not hand Yang back to the mainland.

He said Yang's application could not be approved earlier because regulations regarding requests to settle in Taiwan by mainland democracy activists had not then been passed.

Mr Shih said his government was still processing applications of some 60 mainland democracy activists stranded in Hong Kong.

He said he believed the Hong Kong Government would not send them back to the mainland.

Mr Shih said the KMT government was providing assistance to mainland democracy activists who were now overseas by granting them Taiwan passports and economic aid.

Taiwan could not have offered more help to them because the island was too small and too crowded for the large number of mainlanders who wanted to come, he said, denying that it was due to fear of retaliation from Beijing.

Meanwhile, Mr Ma Ying-jeou, executive secretary of the cabinet's council for mainland affairs, told foreign media that the KMT government was planning to set up an intermediary non-governmental and non-profit-making organisation to do liaison work in connection with legal documents prepared in the mainland.

Explaining the draft Mainland Relations Act which was passed by his council for submission to the Legislative Yuan for approval, he said civil judgments passed in the mainland must not violate Taiwan's constitution, public order and good morals if accepted in Taiwan.



In the common law system, public order and good morals were tantamount to public policies, he said.

#### **Ministry Finishes Economic Development Plan Draft**

*OW1110041689 Taipei CNA in English  
0319 GMT 11 Oct 89*

[Text] Taipei, Oct. 11 (CNA)—The Ministry of Economic Affairs has completed draft of a new economic development strategy to speed the Republic of China's transformation into an economic power, the ministry said Tuesday.

Economics Minister Chen Li-an indicated that his ministry would soon invite experts from government agencies, academic and industrial circles to screen the draft before it is submitted to the Executive Yuan.

According to the plan, the Government would establish an open, just, and fair market, and would enhance high tech self-sufficiency through two-way investments, technical cooperation with advanced countries, and active participation in international economic affairs.

Chen explained that the plan, drafted in line with the nation's political, social, and cultural development and in accordance with changing internal and external conditions, is expected to expand the nation's international economic activities.

Ministry sources said that the new economic plan also includes improving science education and technical training, the utilization of potential capital and land resources, as well as using the nation's economic and trade power to seek a role in sharing international responsibilities.

#### **Ministry Plans Trade Offices in Hungary, SFRY**

*OW1210012889 Taipei CNA in English  
1453 GMT 11 Oct 89*

[Text] Taipei, Oct. 11 (CNA)—The Ministry of Economic Affairs (MOEA) plans to open trade offices in

Hungary and Yugoslavia to act as bridges in promoting trade with socialist countries, according to ministry officials.

The nation is closely watching the development of 1992's European single market, as are other countries. To cope with this new situation, the foreign and economics ministries are planning to set up more trade offices in Europe, the officials noted.

MOEA also plans to set up trade offices in Ireland; Vienna in Austria; Toulouse and Lyons in France; Rome, Italy; Geneva, Switzerland; Norway; Sweden; Finland; and Portugal.

MOEA is also preparing for a Taiwan trade and investment center in Paris. It will be the fourth trade center in Europe. Taiwan trade centers are already operating in Hamburg and Duesseldorf, West Germany, and in Rotterdam, the Netherlands.

#### **Economic Talks With Paraguay Conclude 11 Oct**

*OW1210003689 Taipei CNA in English  
1540 GMT 11 Oct 89*

[Text] Taipei, Oct. 11 (CNA)—The third Republic of China [ROC] and Paraguay economic consultations closed Wednesday, with the ROC agreeing to buy 75,000 bales of Paraguayan cotton within the next 3 years.

Economics Minister Chen Li-an and Paraguayan Minister of Commerce and Trade Antonio Zuccolillo, on behalf of both countries, inked the meeting record.

During the meeting, the Republic of China also promised to provide Paraguay with soybean processing technology.

Other points of accord include:

- Holding further talks on an agreement to guarantee investment in each country and to prevent dual taxation;
- the ROC offering expertise to help Paraguay develop its own export processing zones;
- Paraguay agreeing to simplify visa and investment procedures for ROC tourists and investors;
- The ROC assisting Paraguay to eventually build 100 model agricultural and animal husbandry villages throughout the Latin American country.

## Hong Kong

### Governor Leaves for Washington

HK1310015989 Hong Kong HONGKONG STANDARD  
in English 13 Oct 89 p 5

[By Phil Macdonald]

[Text] The Governor, Sir David Wilson, leaves for the United States this morning in an effort to convince Americans that, despite recent events, Hong Kong has a secure and prosperous future.

The mandatory repatriation of Vietnamese boat people, which the U.S. opposes, also is sure to be raised in Sir David's meetings with Bush administration officials, congressional leaders and cabinet officers.

He will arrive in Washington tomorrow after a stop in London and stay in Washington until Wednesday, then fly to Los Angeles and San Francisco.

On Monday he will address a sell-out audience at the National Press Club in the capital, which is being hosted by the New York-based Asia Society.

Sir David's Washington agenda also will include meetings with Commerce Secretary Mr Robert Mosbacher and Secretary of State Mr James Baker.

He is also scheduled to meet with the House of Representatives Foreign Affairs Committee on Asian and Pacific Affairs, chaired by Congressman Mr Richard Solarz. [name as published]

While in Hong Kong in August, Mr Solarz reaffirmed U.S. opposition to mandatory repatriation.

Sir David is also planning to brief businessmen and academics on Hong Kong's current problems.

On Wednesday, Sir David flies to Los Angeles to meet Hong Kong students at the University of Southern California.

On Thursday, he will speak at a lunch hosted by the World Affairs Council and that evening will attend a reception offered by the Hong Kong Association of Southern California, a group of Los Angeles businessmen and community leaders.

Next Friday, the Governor will address a 1,000-guest luncheon of San Francisco's Commonwealth Club of California, a public affairs forum with 20,000 members.

The lunch is co-sponsored by the Hong Kong Association of Northern California, businessmen with local financial and family ties, and the World Affairs Council.

The San Francisco club's speakers are broadcast on more than 150 radio stations in 37 states, giving Sir David a potential listening audience of 20 million.

Sir David's speech is entitled "Hong Kong: Building for the Future."

This will be Sir David's second U.S. trip since he took office 30 months ago. His first was in October 1987.

He returns to Hong Kong on October 21.

### Immigration Dispute With Mainland Intensifies

#### UK Attacked Over Repatriation

HK1310022789 Hong Kong SOUTH CHINA  
MORNING POST in English 13 Oct 89 pp 1, 5

[By Fanny Wong and Seth Faison in Beijing]

[Text] A Chinese Foreign Ministry official said yesterday that London had a role to play in settling the dispute over the repatriation of Chinese illegal immigrants from Hong Kong to the mainland.

While laying full blame on the British Government he failed to say which parts of a 1982 Sino-Hong Kong agreement had been breached.

The comment came as talks between Hong Kong Political Adviser William Ehrman and his Chinese counterparts to solve the problem remained dead-locked for a fifth consecutive day.

There were signs yesterday that the dispute would have been taken up at a more senior level between the Chinese Foreign Ministry and the British Embassy in Beijing.

It is understood that Hong Kong officials want to keep the talks at their present level.

The Foreign Ministry's chief spokesman, Mr Li Zhaoxing, said in Beijing yesterday that China should not be held responsible for recent incidents.

"In the past few days, the British Government caused harm to the prosperity and stability of Hong Kong."

Asked when the impasse might be resolved, Mr Li said: "You can ask the British Government."

He maintained that Britain had "unilaterally destroyed" the co-operation between China and Hong Kong on immigrant issues.

China, he said, had always adhered to the 1982 agreement between the Guangdong and Hong Kong governments on handling both illegal immigrants and swift entry and exit procedures for Hong Kong residents.

Asked if he was indicating that access to the mainland by Hong Kong residents might be threatened as part of the dispute, Mr Li declined to respond.

He also would not say which parts of the 1982 agreement—which has never been made public—may have been breached.

"A spokesman for the Hong Kong branch of the New China News Agency has already expressed our attitude," he said.

The dispute arose after the Hong Kong Government allowed mainland swimmer Yang Yang to fly to the United States rather than return him to China for overstaying his visa.

Mr Li denied that Beijing had considered cutting off water or food supplies to the territory, calling a report on the issue "sheer fabrication".

"We have not seen this report, but if it exists we will regard it as irresponsible and with ulterior motives," he said.

"The Chinese Government has always been very concerned about compatriots in Hong Kong and Macao," he added.

"There will be no change in our policy, which was adopted over a long-term stability of Hong Kong and Macao."

"We hope that the British and Hong Kong government will express their sincerity and co-operation so that the agreement and understanding reached between Guangdong and Hong Kong on the question of the exit and entry of mainland residents into Hong Kong, through legal and illegal means, will be effectively implemented," he said.

The usual number of illegal immigrants were rounded up in Hong Kong yesterday.

A police spokesman said 51 Chinese illegal immigrants were intercepted in the 24 hours up to 5 am yesterday, with 12 caught trying to sneak across the border.

This has brought the total number of captures to 224 since China suspended the routine repatriation of illegal immigrants to the mainland on Sunday.

It is understood that the Government has sufficient space to keep new arrivals, as the San Uk Ling Clearance Centre at the border can hold up to 600 people.

Members of the Omelco [Office of Members of the Executive and Legislative Councils] security panel met the Secretary for Security, Mr Geoffrey Barnes, and the Director of Immigration, Mr Leung Ming-yin, yesterday to discuss the issue.

Speaking after the meeting, panel member Mrs Rosanna Tam Wong Yick-ming said the administration could tell them nothing because discussions with China were still underway.

Mrs Tam said the panel hoped the dispute would be resolved as quickly as possible.

Another panel member, Mr Poon Chi-fai, expressed dissatisfaction at the administration's failure to inform them of the development of the incident.

### **Xu Jiataun Warns of 'Diplomatic War'**

*HK1410015689 Hong Kong HONGKONG STANDARD in English 14 Oct 89 p 1*

[By Stanley Leung and Mark Brickwell]

[Text] China's top man in Hong Kong yesterday warned that the diplomatic war with Britain would not end until the territory stopped "antagonising the socialist system and subverting the Chinese Government".

Local Xinhua director Mr Xu Jiataun indicated this condition would have to be met before China again accepted the return of illegal immigrants.

Mr Xu also criticised the Hong Kong Government's decision to move the main naval base from HMS Tamar to Stonecutters Island without Chinese approval.

His comments were made in a prepared statement read yesterday after his return on Thursday night from meetings with top Chinese officials in Beijing.

Mr Xu said after a topping-out ceremony of the giant Buddha statue on Lantau Island that China had only one demand: that Hong Kong not be used as a base for subversion and "antagonising the socialist system".

"That is all we want. If this could be achieved, all problems could be resolved," he said.

Mr Xu's comments suggested it could take some time to solve the immigration dispute which has resulted in China's refusing to accept the return of illegals since Sunday.

The dispute has further dampened confidence in Hong Kong and pushed local share prices down.

The stockmarket closed 11.5 points lower at 2782.3 yesterday and has fallen more than 60 points in the last three sessions despite confidence-building capital works projects announced in the Governor's Wednesday speech.

Analysts link the drop to the immigration dispute which security officials fear could see the territory swamped with illegals.

A further 47 illegals arrived in Hong Kong yesterday, taking the total since the dispute started to 250. Victoria Prison, where they are being housed, is 30 percent over-capacity and work started yesterday on a temporary detention centre at San Uk Ling.

China's Ministry of Foreign Affairs has linked the dispute to the Hong Kong Government's decision not to return dissident swimmer Yang Yang to the mainland.

Mr Xu said yesterday: "The causes of the recent events in Hong Kong are beyond Beijing's control. It is not we who initiated the problems.

"If the British side has sincerity, the temporary phenomenon could be well resolved," he said.

Government officials said yesterday that if "sincerity" meant compromising on the principle of treating overstayers according to the rule of law, Mr Xu would be disappointed.

They said that while local people should not meddle in mainland affairs, Hong Kong's laws could not be compromised.

Mr Xu also criticised the Government for deciding to move the British naval base without obtaining approval from the Chinese side of the Joint Liaison Group.

The Chief Secretary, Sir David Ford, announced the move on Thursday, saying it was necessary to make way for the Central-Wan Chai reclamation.

But the move will thwart China's plans to use the prime Central site as a navy base.

Mr Xu said the question should have been resolved by the JLG.

"Unilaterally announcing the removal of the base would not help resolve the question," he said.

The Chinese side of the JLG held an urgent meeting yesterday to examine the implications of the relocation.

A Chinese JLG member, Mr Wang Jiapi, expressed his displeasure at the way the shift was handled.

But sources close to the British-side of the JLG said the decision would not be reviewed.

"If the Chinese are not happy with Stonecutters they can look elsewhere," said one.

A weekly meeting between the two teams in Hong Kong, scheduled for yesterday, was postponed until next week.

The official reason for the postponement was that British member Mr Doug Martin, who is in charge of the Hong Kong office, was on leave in Japan.

### **Mainland Reaffirms Support for Bicameral Model**

*HK1410015489 Hong Kong SOUTH CHINA MORNING POST in English 14 Oct 89 pp 1, 4*

[By "A Special Correspondent"]

[Text] In a move likely to deepen the rift between Hong Kong and China, Beijing officials have indicated their determination to thwart plans for a faster pace of political reform in the territory.

Officials of the State Council's Hong Kong and Macao Affairs Office are understood to have assured members of the conservative political group, the New Hong Kong Alliance, that China would stand firm behind the Alliance's proposed bicameral system of political development, regardless of public opposition.

The message was relayed to five Alliance members who made a secret trip to Beijing this week in a last-ditch effort to lobby support for their controversial blueprint.

The go slow political model calls for the legislature to be split in two tiers—one indirectly-elected based on functional and occupational constituencies with veto power over a semi-directly elected chamber.

The Alliance members were told in no uncertain terms that Chinese drafters did not like the so-called 4:4:2 compromise model endorsed by the territory's businessmen, moderate and liberal groups. They were told that Beijing would try to adopt the Alliance's less popular model as a basis for the territory's post-1997 mini-constitution.

If the Chinese stick to this position over the next two months, the bicameral model, considered the most conservative of three models being discussed, could emerge the winner despite strong opposition from rival groups.

Should the Alliance model be adopted by the Basic Law Drafting Committee political sub-group when it meets in December, it will be put to the vote at the drafting committee's last plenary session in February.

At least five members of the Alliance, including Basic Law Consultative Committee leaders Mr Lo Tak-shing, Mr Leung Chun-ying and Mr Shiu Sin-por, flew to Beijing early this week to explain details of the two-house model to senior officials.

Informed Chinese sources said the Hong Kong delegation was told most mainland drafters have indicated approval of their proposal.

Mr Leung, secretary general of the Basic Law Consultative Committee, who returned on Thursday night, was not available for comment.

Last week, the consultative committee decided against a territory-wide public opinion poll on the main political models, attracting criticism that it had rendered the consultation process meaningless.

The behind-the-scenes manoeuvres by the Chinese come as Hong Kong and China are deadlocked over a number of important issues, particularly the pace of democratic development.

China has made it clear that it is opposed to Hong Kong being used as a base for subversive activities.

Beijing officials, who refuse to come to the territory to discuss Basic Law matters, have accused Hong Kong people of meddling in China's domestic affairs and are on the verge of expelling local drafters Mr Martin Lee Chu-ming and Mr Szeto Wah.

Mr Lee has announced his intention of resuming his drafting work while Mr Szeto has yet to decide.



China's support of the bicameral model indicates it is in no mood to consider local wishes to speed up the pace of democratic development.

This is bound to upset supporters of the 4:4:2 compromise model.

Following China's rejection of a more liberal model endorsed by Executive and Legislative Councillors, the territory's three main political camps threw their support behind the 4:4:2 model championed by businessman Vincent Lo Hong-sui.

The 4:4:2 model seeks a legislature after 1997 that is 40 percent directly elected, 40 percent elected through functional constituencies and 20 percent by an electoral college.

The Alliance model, which has received only moderate support, keeps power in the hands of the business lobby and allows only 25 percent of seats to be directly elected after 1997.

#### **Song Jian Meets With Academic Delegation**

*OW1410083989 Beijing XINHUA in English  
0714 GMT 14 Oct 89*

[Text] Beijing, October 14 (XINHUA)—Song Jian, Chinese state councillor and minister in charge of the State Science and Technology Commission, met here today with a delegation of the Beijing-Hong Kong Academic Exchange Center from Hong Kong.

#### **Canada Considers Revising Immigration Plan**

*HK1310020589 Hong Kong SOUTH CHINA  
MORNING POST in English 13 Oct 89 pp 1, 2*

[By Simon Macklin]

[Text] Canada no longer trusted Beijing's sincerity in fulfilling the Joint Declaration for the future of Hong Kong and was considering a new immigration strategy to help boost confidence in the territory, a Canadian official said yesterday.

The Commissioner for Canada in Hong Kong, Mr John Higginbotham, said his Government had become more aware of the territory's political and economic importance since the events of June 4 in Beijing.

It was actively reviewing all aspects of immigration and other relations with Hong Kong to see what could be done to support the territory, Mr Higginbotham added.

"The events of June 4 tend to wake us up to the importance of Hong Kong, it was a part of the region we perhaps hadn't taken enough account of," he said.

He said in the past, Canada believed the Sino-British Joint Declaration would serve to guarantee the future stability of the territory.

"Now perhaps that has been put in some doubt," he said.

"There is the question of trust and confidence in the reliability of the PRC as a partner in an arrangement which seems valuable as an international treaty but in terms of June 4 there is some doubt."

The Canadian Government hoped the recent action by the Beijing authorities was a "temporary aberration in the development of China's relations with foreign countries".

"We can only hope by 1997 the situation can improve—that is not an impossibility," Mr Higginbotham said.

Canada was now considering a "special immigration package" for Hong Kong.

New nationality proposals for Hong Kong people by the British Government might be one of the factors which would affect the package decided by Canada.

A number of different proposals were being considered but the Commissioner would not say what new initiatives were likely to be adopted by the Canadian Government.

Canada was aware of the damage too much emigration from the territory would do to Hong Kong and would try and develop a policy which help restore confidence in Hong Kong as well as benefiting the people of Canada.

He pledged the authorities in Canada would not take advantage of the lack of confidence in the territory which led to a sudden large increase in emigration from Hong Kong.

But Mr Higginbotham said he was happy to see people emigrate to Canada to gain the security of a second passport and then return to live and work in Hong Kong.

"If they do come back (to Hong Kong) then I see no problem. That is precisely the kind of bridge we are trying to build for our investment and fits in with our foreign policy."

Mr Higginbotham said his Government saw Hong Kong "developing as a political issue" in the international forum and had raised the issue at the Paris talks in July between the seven major world economic powers.

"We can co-operate with the Hong Kong and British governments in drawing attention to difficulties and showing solidarity so the territory can prosper."

Asked why Canada was so keen to help Hong Kong, Mr Higginbotham said it would like to see Hong Kong develop as a bridgehead for economic, trade and other links with Southeast Asia.

Mr Higginbotham said one of the factors which had made Canada rethink its relationship with Hong Kong had been the large number of people who had come to the Canadian Commission in recent months and applied to emigrate.

"We have been simply overwhelmed by the intensity in the relationship which has evolved between Canada and Hong Kong because of emigration."

The emigration office in Hong Kong is the largest such office in the world.

Extra staff were seconded to assist in the months of June and July when management at the Exchange Square office deployed freight lifts to take people up to the office.

Figures supplied by the commission show 22,802 Hong Kong people landed in Canada last year taking advantage of emigration visas, while a further 21,843 emigration visas were granted last year.

Canada is the largest emigration destination from Hong Kong followed by the United States and then Australia.

Mr Higginbotham took up his post as the head of the Canadian mission in Hong Kong last month but had served before as well as working at the embassy in Beijing.

### **Migrants Take Billions to Australia**

*HK0510015589 Hong Kong HONGKONG STANDARD  
in English 5 Oct 89 p 1*

[By Phil Macdonald]

[Text] Australia is set for windfall of business emigrants from Hong Kong during its 1989-1990 financial year who take with them billions.

Post-June 4 nervousness has seen visa applications under Australia's business migration programme soar.

In the three months after June, 930 Hong Kong people have applied to immigrate under the business plan, about 100 more than the preceeding year's total.

Australian Commission regional migration officer Andrew Metcalfe said yesterday almost all the applicants would be granted visas. "The business migration plan has a rejection rate of less than five percent," he said.

This quarter's immigrants will take at least \$3.6 billion to Australia, which is more than the previous 12 months total of \$3.25 billion.

In the 1987-88 fiscal year, \$2.75 billion went to Australia with programme applicants.

Hong Kong takes about one third of Australia's immigration quota under the programme.

Mr Metcalfe said there were 350 business migration applications in July, in August 350 and September 230.

The first two months were records and September's total was four times higher than the average number the commission received.

"The number of applicants in June was about average. It takes a few weeks for a business plan to be drawn up before it is submitted with a visa application," Mr Metcalfe said.

Up until October 1, business migrants were required to invest a minimum of A\$500,000 (about HK\$3 million) in a business plus A\$150,000 (HK\$900,000) for establishment costs.

But with changes to the programme all are to provide establishment costs, but business migrants younger than 40 only require a A\$350,000 (HK\$2.1 million) venture, those aged between 40 and 57 require the same amount and those older than 57 need A\$850,000 (HK\$5.1 million).

Between July 1988 and June 1989, 3,321 people were granted visas under the scheme. More than 800 were applicants, the rest family members.

In the 1987-88 year, 2,460 people were granted visas under the programme.

The immigration figures showed a 42 percent increase from fiscal year July 1987 to June 1989. A total of 9,168 Hong Kong people migrated to Australia between July 1987 and June 1988 compared to 13,131 during the last fiscal year ending this June.

The totals indicate the highest level of immigrants Australia has ever taken from Hong Kong.

Although the quarter following the June 4 crackdown of pro-democracy demonstrators in China was exceptional, Mr Metcalfe said business migrants throughout the 1989-90 fiscal year would increase "significantly".

He said Australia did not place a definite quota on business migrants. "There is an average amount, but depending on circumstances...it can change." Of 140,000 migrants Australia accepts annually, about 10,000 come on business visas.

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